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The Australian Outlook

THE JOURNAL OF THE AUSTRALIAN
INSTITUTE OF INTERNATIONAL
AFFAIRS.



VOLUME 3. No. 1

MARCH, 1949

The Dynamics of Over-population	Sir Frederic W. Eggleston
Australian Agricultural Production in Relation to World Requirements	- S. M. Wadham
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*Published Quarterly by The Australian Institute of International Affairs.
Registered in Australia for transmission by post as a periodical.*

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"The Australian Outlook" is published in March, June, September and December in each year. Subscription rates: in Australia 10/- a year; in Canada and the United States \$2; in the United Kingdom and South Africa 10/-; in New Zealand 11/-, and in India Rs.7.

Overseas subscriptions may be placed with the Royal Institute of International Affairs, Chatham House, 10 St. James' Square, London, S.W.1. and the Institute of Pacific Relations, 1 East 54th Street, New York 22, N.Y.

All communications should be addressed to the General Secretary, The Australian Institute of International Affairs, 369 George Street, Sydney.

The Australian Outlook

(Incorporating The Austral-Asiatic Bulletin)

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THE AUSTRALIAN OUTLOOK SECOND ANNIVERSARY ISSUE

With this issue *The Australian Outlook* enters on its third year of publication. Generous private assistance has made it possible to prepare a special issue of augmented size in order to mark the occasion.

It is fitting on this occasion to commemorate the enterprise and foresight of the original founders of this journal and to set on record the notable labours and successes of Professor A. H. McDonald, the first editor. The fact that steady growth has been possible right from the beginning and the fact that the basic objectives of the Australian Institute of International Affairs in founding the journal are progressively coming closer to realisation attest the worth of the original pioneering work.

The Australian Outlook was founded in order that there might be available in this country a ready channel of publication for local studies of international affairs. The degree to which such studies are fostered by the publication of *The Australian Outlook* will be the final test of its success as a journal.—EDITOR.

The Dynamics of Over-population.

F. W. Eggleston.

The common man is very apt, at the present time, to place all the blame for his troubles on the shoulders of our political leaders, but, in truth, some of the strongest tensions in the world to-day are due to social or demographic movements for which no leader can be blamed. The statesman has to deal with them as he finds them, and, if anyone has erred, it is the scholar who has watched the growth of such movements without anticipating their results and uttering some warning.

I say this because, in my opinion, one of the deeper causes of world tension to-day and one of the most difficult to relieve is the over-population of certain areas. The concept of over-population is sometimes queried and I shall not attempt to meet the difficulties of definition. What I refer to are the concentrations of populations in certain areas in such conditions that the supply of food and raw materials for their inhabitants is likely to become precarious. I refer particularly to the concentrations in Western Europe and South-East Asia, one having an industrial and the other an agricultural basis. These concentrations have developed quite naturally though some of the factors of their development are temporary. The tensions to which each of them gives rise in world affairs are obvious.

The correlation of population to available resources, therefore, is a most important subject of research. Our studies on the subject are quite inadequate, partly because of the contempt for geography which has existed in most British Universities and partly because of the failure to recognise the importance of demography. I suggest that maps on some sensible projection and on which comprehensive geo-political data are plotted should be the primary instrument of every department planning national policy, every Department of External Affairs, and every Department of Commerce or Customs.

"The Outlook" prints with this article two maps of Australia, one showing the rainfall lines and the other the rivers and the flow

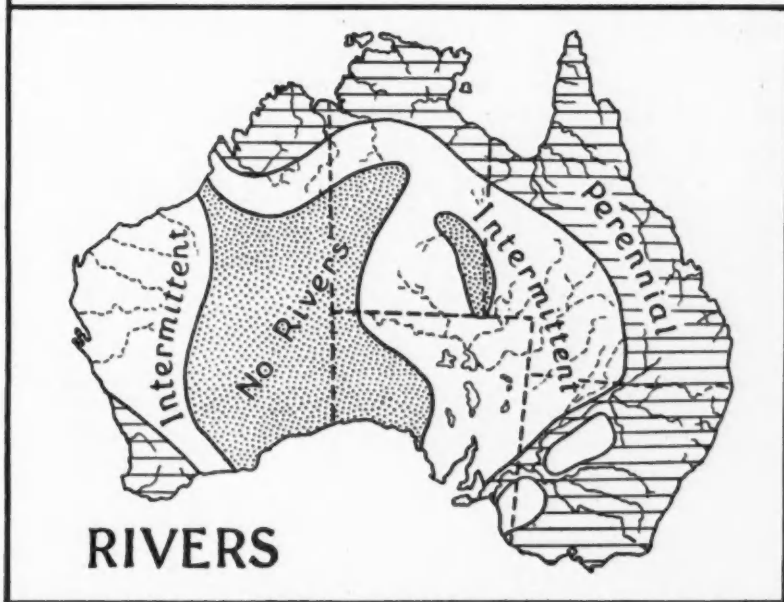
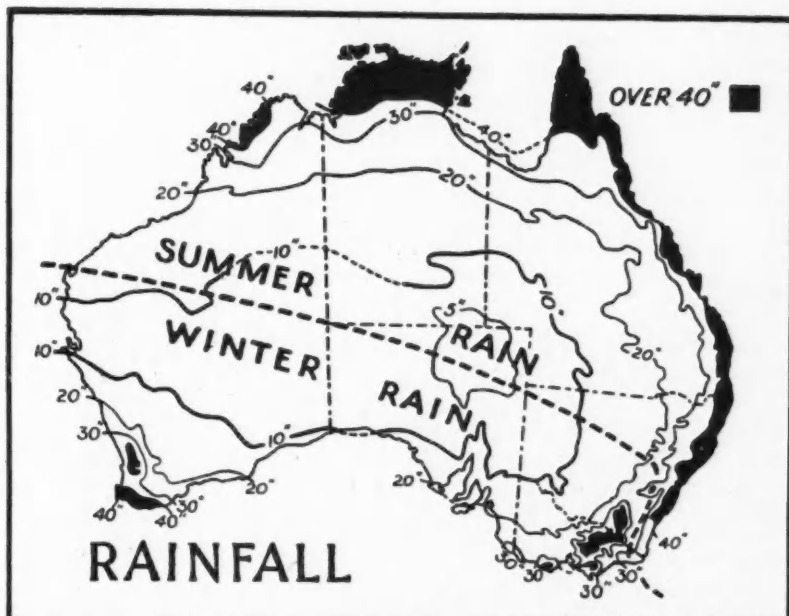
of water. These are, of course, quite commonplace maps and they only make a commencement with the most primary of primary details. A map showing the distribution of Australia's population is also well-known but other details giving variability and seasonal indices, soil conditions, production statistics, etc., should also be plotted. If a body of students would co-operate in such a work for the whole of the land bordering on the Pacific and Indian Oceans, we would have a much firmer ground for national policy than we now have. I am having prepared for this purpose a large map of the whole area.

The present relation of population to resources and markets in Australia has a favourable effect on our economic position because our number is small and yet we have been able to exploit a whole Continent, including areas where the population is scanty and the production in relation to manpower exceedingly high. On the other hand, Australia is situated not far from the crowded areas of Asia and, if the economic status of these countries could be raised, she could organise the supply of many of their needs.

The position of the two great concentrations of Europe and Asia which I have mentioned is far different. In economic history, industrialisation has usually started through the possession of some advantage—in some cases, special materials; in others, a situation of special economic importance; in others, again, groups of men of exceptional capacity. When a start was made, the organisation of industry progressed rapidly. Other people were backward: they were willing to supply the materials needed for industry and the food required by the workers and, on the other hand, to buy their products. The industrialised community thus acquired a momentum, as it were a goodwill. These advantages last a long time. Industrialised people are trained in the skills required as is nobody else. Such advantages are not, however, absolute; they are temporary; and, with a more all-round development of the world, they disappear. When this stage is reached, these large populations will find their situation precarious.

The great industrial concentration of Western Europe was due, in fact, to the early use of modern machinery in that area. Up to the present time, the advantage has never been lost, but this superiority is now being undermined. It is being sapped in two ways, viz.:

(i) Western Europe has always been able to buy her supplies where she wanted and to get the peoples of the outer world to buy her products. If this can be done, there is no theoretical limit to the population which a country may hold, but such a system de-



depends on elaborate communications and becomes unsafe if these communications can be threatened. In a fully-armed world, all communications are in peril. Industrialised nations must, therefore, build up fleets to protect their commerce; indeed, as Admiral Mahan pointed out, a country as dependent on external trade as Great Britain, must have command of the seas. If she has command of the seas, however, the communications of other industrialised nations will depend on her goodwill—a position which is not at all comfortable for them if Great Britain does not exploit it for her own purposes. This, in itself, is a potent cause of world tension.

(ii) Economic factors are also sapping the position of highly-industrialised nations. Where the need for supplies and markets is crucial, as in the case of the nations of Western Europe, the terms of trade invariably turn against them. Prices of their supplies tend to rise and, as other countries build up industrial systems, the prices of their products fall and their markets diminish.

These strains are now being acutely felt in Western Europe and the difficulty is that the liquidation of this concentration is no easy matter. A huge productive machine has been built up and the lives of millions have been adjusted to it. If the machine is drastically reduced in size, it will lose its efficiency and it will be vitally injured if it is dismembered. The whole economic structure with its debts and investments has been geared to the present volume and will suffer if that volume is seriously reduced.

Under the present Cripps scheme, it seems to be contemplated that Britain, whose chief difficulty is supply, is to have a larger production so that exports will overtake imports, and, for this larger production, a higher population is required. The population of the United Kingdom is now almost fifty millions—an increase of two and a half millions in the last few years. If the scheme fails, however, the consequences will be serious, and there is no doubt that a sense of this is promoting the great tendency to migrate. Australia should benefit by this migration, for the British migrants will have the skills required for industrialisation, on which, to a large extent, Australia's future development of population will depend.

The causes of the vast concentration of population in South-East Asia are of an entirely different character. They derive from two factors which depend on climate—rainfall and rivers. I am unable to give a simple map showing these details, but "The Elements of Geography" by Finch & Trewartha contains a map giving

rainfall lines for the whole world. In Western Europe, the figure is between twenty and forty inches. In Asia, the figure is strikingly different, and the position there may be summed up as follows. If a line is drawn due east from Shanghai to the middle of India, it will be seen that the rainfall of the area south of this line in Asia and in the islands of the Western Pacific, such as Indonesia, the Philippines, etc., is never below forty inches and often exceeds one hundred inches. In the same area also, a large proportion of the world's greatest rivers flow, viz., the Yangtse, the Red River, the Mekong, the Salween, the Irrawaddy, the Bhramaputra and the Ganges, and some of these have vast fertile estuaries. In the parts of China north of the Yangtse, the rainfall is generally between twenty and forty inches, and, in the west of India, it is much the same. In the latter areas, rivers provide large quantities of water for irrigation, viz., the Yellow River in China, and the Indus in India.

This immense supply of water has promoted the growth of the huge population of these areas. There are four-hundred millions in India, four hundred-and-fifty millions in China, and forty millions in Java. Half the human race lives here. Until recent years, this mass of humanity has been kept within limits only by the biological controls of food supply and disease and the limiting effect of war and oppression. The organising power of the Western Empires which held these areas lifted these controls to some extent, but the population increase then became staggering. It is now at least ten millions per annum.

This population total and the natural increase thereof must produce the most acute tensions for the increase is exceeding the development of the food supply. At the same time these people live on the lowest standard of comfort. In Huntington's dietary scale published in 1943, Canada, New Zealand, America and Australia are given indices of 92 and over, whereas India has an index of 29, Java 26, the Philippines 21, and China 17. These people have become aware of their poverty and are conscious of the conditions of other people and the power of the machine will improve living-standards. These psychological considerations will develop a dynamic which may bring vast masses into play.

The relief of this tension can only take place through an increase in the resources of the area concerned or a reduction in its population, or at any rate in its population increase. Increases in resources by improvements in agriculture are possible, and the question is whether industrialisation can be used to increase these re-

sources in another way. This is far more difficult than is generally imagined; indeed, in the present condition of these people, it cannot be regarded as a remedy at all. We talk as if we can set up manufactures by the mere investment of money from abroad; this, however, is far from being the case. In the first place, the necessary investment will not be made unless political conditions are stable and the community has a satisfactory organisation. In the second place, industrialisation cannot be developed unless trained skills of all kinds, including not only the technician but the accountant and business-manager, are available. The experience of China has shown that these conditions are not present. Possibly, however, the most difficult factor to be overcome is the fecundity of primitive peoples accustomed to breed up to the limits of the available subsistence. Improvements, therefore, do not mean increased standards.

I do not want to appear over-pessimistic. It may be possible for E.C.A.F.E. to devise means of handling the difficulty, but it must be remembered that the effort required is not the action of outsiders, political, economic or benevolent, but the intelligent effort of these people themselves.

The more even distribution of the world's population around its resources should be the ultimate ideal of world planning, but the intensity of the concentration at each pole at the present time seems to impose almost insuperable difficulties upon the realisation of this objective. The maps I have included show how little Australia is able to relieve the difficulties of population distribution, but her geographical position is such that she cannot fail to be involved in the consequences.

Australian Agricultural Production in Relation to World Requirements.

S. M. Wadham.

During the last few months numerous authorities have commented on the need for Australia to increase her production for export. Some have looked at it from the point of view of improving our position as an exporting country; others have referred to it in relation to the world shortage of foodstuffs, so ably publicised by Sir John Boyd Orr and others of the Food and Agriculture Organisation of the United Nations. The latter viewpoint has a great human appeal at a time when heart-rending stories are current of some sections of the world facing starvation, others suffering from malnutrition, and the people of Britain living on a diet which, though adequate, is one of grinding monotony. Some consideration of the facts on Australian farming and the circumstances under which it is operating at the moment seems therefore desirable.

The obvious quantitative comparison is between our production of the last three years and that of the ten years before the Pacific War. The table at the top of the following page sets out of appropriate data on this matter.

The main conclusion from this table is that there has been no significant increase in Australian production since the war. The individual season of 1947/8 was a particularly favourable one, and it would be unrealistic to suggest that increases shown for that particular year necessarily indicate a permanent increase in production.

The natural temptation is to imagine that this is a reflection on either the energy of our farmers or their outlook towards the world's need. Before any such conclusion is reached, the special circumstances under which each industry is now operating require consideration, and in order to paint the picture in true colours it is also desirable to fill in the more recent historical background.

Wheat.

The wheat industry during the 1930's had reached a position from

Production Figures.

		1931/2-1940/41	Annual average		1947/8 (a)
			1945/6	1946/7	
MAIN CROPS					
Wheat	M. bus.	162	142	117	220
Other Cereals	M. bus.	36	47	38	75
Cane Sugar	Th. tons	724	666	552	582
Potatoes	Th. tons	357	646	544	560
DAIRY PRODUCTS					
Total Milk	M. galls	1,145	1,077	1,079	1,168
Butter	M. lbs.	434	337	324	363
Cheese	M. lbs.	48	92	94	92
Other Milk Products	M. lbs.	(69)	183	174	197
Whole Milk and Ice Cream	M. galls.	159	224	240	242
MEATS					
Pig Meat	M. lbs.	156	242	224	192
Beef & Veal	M. lbs.	1,078	910	1,090	1,257
Mutton & Lamb	M. lbs.	723	652	690	662
FRUIT					
Currants & Raisins	Th. tons	75	73	65	81
Apples	M. lbs.	432	638	411 (a)	—
Citrus	M. lbs.	217	293	267 (a)	—
WOOL	M. lbs.	1,000	936	977	1,025

(a) Estimate only. () Figure incomplete.

which it was clear that there was little point in further expansion. In the main wheat growing States schemes were adopted in the marginal areas to divert farms from grain production to grazing, offering financial compensation to the farmers thus displaced. Further steps were actually taken in conjunction with other wheat-exporting countries to try to regulate the amount of the grain sold on the international market.

Nevertheless some people still did not have enough wheat. For instance, famine occurred in parts of China; and the United States, faced with an enormous surplus of grain, actually gave 50,000,000 bushels of wheat for its alleviation. However, the problem of getting the grain to affected areas was enormous. Bad communications, the prevalence of "squeeze," and the reluctance of Chinese merchants, interested in supplying their own market with wheat, to take part in a scheme which involved the dislocation of their local price structure, were serious obstacles.

The war started with an enormous reserve of wheat in Australia consequent upon the large crop of 1939/40 and the lack of ship-

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ping to move it. A restriction of the acreage sown to wheat was instituted in 1941. The farmers met this with few regrets, as by that time superphosphate was in short supply while their labour force had been seriously depleted for war purposes. In many cases their physical capacities were sorely taxed in maintaining their normal areas under crop. This position of world supply began to change towards the end of the war with the wreck of much European agriculture and the dislocation of rice supply; the shortage of wheat and other grains became acute. The price level rose sharply, particularly after the United States had abandoned price control.

On many wheat farms today the labour shortage is still a problem. In response to it the industry has been steadily replacing horses by tractors. Today probably two-thirds of Australian wheat is grown with the aid of tractor power. Machinery is being renewed, but a good deal still requires attention.

The following figures, for approximate acreages under wheat in the seasons set out, show that the large harvest of 1947/8 was due far more to good weather than to an increased acreage:—

	Acres
1947/8	13,090,000
1946/7	13,172,000
1945/6	11,425,000
1943/4	7,875,000
average 1932/41	13,623,000

These figures also show that the industry has returned to its pre-war size. Behind them lies the fact that the majority of wheat farmers, even if they had the machinery and manpower which they required, would probably be chary of increasing their acreage. Wheat should properly be grown in a land use rotation. For the average grower to put in a larger acreage means a disruption of his farming practice for the following three or four years. The paddocks are large, the average farm only having perhaps five or six paddocks which can be cultivated. It is bad practice to have half a paddock under a crop, so that any increase must usually be a large one relative to the acreage under crop. Some farmers also have memories of rather bitter experiences in the past. The "Grow More Wheat" campaign of 1929, under which many farmers for patriotic reasons were stimulated to put in increased acreages, gave disastrous results economically, and also from the farming view. It is therefore not surprising that there has been no great expansion, despite the attractiveness of the prospective price.

Other Cereals.

The figures for the other cereals in the Table show a small but

significant increase in the post-war period. This has been brought about by the high prices offered for these grains owing to the general scarcity of all cereal crops and the big demand for wheat in overseas markets. It was always possible for the Australian production of oats and barley to be increased if the world market made it worthwhile. Pre-war experience was that the nett price on the farm was too low in relation to wheat to encourage the export of these grains. One new development of the last decade is the realisation that there is a future for grain sorghums in south-east Queensland now that varieties have been developed which can be readily harvested by mechanical means. Rice acreages were also expanded considerably during the war in order to produce larger quantities for use in various Pacific islands. The crop is grown here under irrigation. As it requires far more water than any other crop, and since irrigation water is in demand for many purposes, it seems unlikely that any great expansion of acreage can be expected even if the world price remains high.

Sugar.

The figures for cane sugar production in the table show a considerable reduction on the pre-war average. This was caused by the partial dislocation of the industry during the war when labour on the cane fields, both for cultivation and harvesting, was scarce, and when fertilisers were also in short supply. Cane production cannot be reinstated in a single year; and it is understood that the recovery of the industry, which has been going on during the past two seasons, has resulted in the expectation of a record crop, estimated at over 800,000 tons in 1948/9.

Doubtless the acreage under sugar could be largely increased, but world sugar supply was in excess of demand during the decade before the war, and the world surplus of sugar resulted in very low prices. A rigorous international system of control of production was introduced to which Australia conformed. The industry's programme for the future takes this into consideration, for it would be most unwise to stimulate the development of large new areas, all of which would require considerable expenditure of capital. A 10% increase has been allowed for in the post-war plan.

Potatoes.

The figures for the production of potatoes show some increase, but this has been stimulated by a guaranteed price scheme with a Commonwealth bounty, which came to an end in 1948. There is little to be said for an increase in potato production in Australia be-

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yond home requirements, as there is no prospect of any expanding export trade.

Dairy Products.

In the table on page 10 under the heading "Dairy Products," the first line shows an estimate of total milk production. This is probably the best measure of change in the dairy industry. The figure for 1947/8 shows an increase over the base period, but this was largely attributable to a favourable season. The following table shows that the dairy cow population is smaller than before the war, but is now rising:—

average 5 years ending	No. of cows	
	milking	dry
1939	2,569,000	664,000
1946	2,254,000	771,000
1947	2,267,000	818,000

The way in which the milk is used has changed during the period. Local consumption of whole milk and ice cream has risen. The production of butter has declined, while that of cheese and other milk products has increased. The increases have been based on the diversion of the industry in response to wartime demands. Whether these diversions will in the long run prove satisfactory depends on two main factors. First, whether Britain, our chief pre-war customer for butter, will be able to afford to buy butter at the pre-war price, or whether, when the African ground-nut schemes are in full operation, she will satisfy her demand for edible fats by using more margarine and less butter than in the past. Secondly, a permanent market for dried and condensed milk has to be found. The industry has high hopes that India and other Asiatic countries will be ready and able to take large quantities so that more of their people, especially the children, can have a better nutritional standard. These trade diversions within the dairying industry are really beside the point that there has been no significant increase in dairy farm production. The reasons for this are numerous. From 1926 until 1942 only those dairy farms which happened to be free from large debts provided a satisfactory living for those who worked on them. The wages in the industry were low and conditions often poor. During the early part of the war enlistment from dairy farms and the diversion of labour for other purposes was very marked. This was partly overcome by a great increase in the mechanisation of the milking process, and partly by the amalgamation of small farms. The situation was becoming acute by 1942, while the demand for dairy products remained insistent. To prevent further loss of labor wages were regulated and prices of products were increased, both by subsidies and otherwise, so that higher wages could

be paid. The shortage of world fats has roughly doubled the price of many dairy products on the world market, while the Australian retail prices of dairy products necessarily rose when the Government subsidies were removed. The industry and the British Government now have a long term agreement which limits the price change in any one year to $7\frac{1}{2}\%$. If the price falls very markedly on the world market, the industry may find its new schedule of costs difficult to face. There is still a shortage of satisfactory labour in the industry, and some farmers have either reduced their herds or turned their attention to fattening animals for the meat market.

While it would be possible for a considerable expansion to take place in dairying, it must be slow because new farms and more dairy cows cannot be produced at once. Expansion would also be unwise except where conditions favour low cost production. The tendency at the moment is for expansion wherever the appropriate equipment can be obtained and the labour is available. However, establishment costs are high. Cows cost nearly twice as much as they did before the war, and all machinery and equipment is dearer.

Meat Production.

The figures for meat production are particularly interesting. Pigs are mainly produced as a sideline on dairy farms or on cereal farms when the price of grain is low. During the war the fortunes of pig farmers varied tremendously. At one stage the British Government asked for increased production of large sized pigs. When this scheme was in full blast it was suddenly countermanded, and many producers who had numbers of animals of this type on hand were forced to sell them on a collapsed market at considerable financial loss. A few months later the policy was reversed, and the producer felt that those who had bought up the large size animals and cold-stored their carcasses, made a very handsome profit at his expense. This masterpiece of official ineptitude wrecked the confidence of many pig raisers. Later on, when the American force was in Australia, the market seemed almost unlimited, particularly as grain was made available by the government at low prices. The production of pigs is, in fact, a doubtful venture unless grain is cheap. Australian producers would be unwise to increase production until the prices of cereals on the one hand, and those for pork and bacon, on the other, are more stable. Export prices must exert a large influence on the local market; and from the Australian standpoint the pig is always a doubtful financial proposition because it seems most likely that this animal, so suited to the economy of the small-scale agriculture of Europe, will again become the first meat animal of

those countries. On 31/3/48 there were about 470,000 fewer pigs in Australia than in 1939.

The scheme for growing sorghum, to be used for raising pigs, recently started in the Clermont region of Queensland by the British Overseas Food Corporation and the State Government is a special venture of a type which has been rare in Australia.

Beef was in great demand during the war, and herds in the wide areas of the north whence the animals for export production chiefly come, were somewhat depleted. They are now back to pre-war levels and, given good seasons, production may be expected to increase slowly. However, unless the northern cattle industry can be made more efficient and less wasteful in its methods of disposing of the animals, extra supplies of meat at the seaboard will develop slowly. In the other States the production is often scarcely sufficient for the Australian market. It is possible that the present wastage of calves from the dairy industry could be reduced, thus providing an increase in meat supplies, but this will require more labour.

The sheep population rose markedly during the war, and reached a record total of 125 million in 1942. This was due to the war-time stabilisation of the wool market and to good seasons. Experts warned that this represented a dangerous condition of overstocking, but the industry refused to consider plans for a co-ordinated reduction. Disaster came with the drought of 1943/5, and by June 1946 the total sheep numbered 96 million—a decline of 23%. Recovery from this loss has been fairly slow, and the production of sheep meats has been seriously reduced because, the price of wool being high, graziers restock rather than sell for slaughter. Industrial troubles have also been a factor. Fat lamb production inevitably varies from year to year. In 1948/9 the season was good and production figures would have been high. However, the export slaughtermen in Victoria struck, and most of the works were closed, the machinery for conciliation having failed miserably. On many farms the lambs which should have been killed had to be disposed of at lower prices, and the whole programme of stocking and production was disorganised. Doubtless many farmers will refuse to cater for the fat lamb market until such time as the government appears able to afford the industry protection against similar occurrences.

Fruit.

The fruit industry is naturally one in which expansion of production is bound to be slow. The position is not the same in regard to each type of fruit. Dried vine fruits present the case of an industry which has gradually developed in effectiveness during the

last quarter of a century. Thanks to a sound marketing organisation on the one hand, and the gradual adoption of improved technical practices on the other, it had reached a fairly stable condition in 1939. The seasonal production varies considerably from year to year, and the figures shown in the table for the last three years are typical of such variations and do not indicate any great change. There has been a slow increase in acreage, but the industry itself has generally opposed any large expansion of its productive capacity. This is a reasonable view when it is remembered that about three-quarters of the industry's production has to be placed on the world market, and that the product is more of a luxury than a necessity, it is likely to suffer in the event of a recession in international trade.

Of the fresh fruits, apples are by far the largest export crop. Between 1826 and the war many sections of the apple industry suffered severe financial losses owing to the low prices which they received for their product. During the war the Commonwealth Government, recognising that the industry would be thrown into chaos through lack of shipping space, decided to assist it to continue. This was achieved by the organisation, under Commonwealth control, of an Apple and Pear Marketing Board in each State. These bodies did their best to ensure that growers were paid an adequate amount to recompense them for the fruit, whether marketed or not, but in so doing they incurred great odium from certain sections of producers. In the States in which the criticism was most severe some growers decided to give up the game and rooted out their orchards, transferring their attention to market gardening. There has therefore been a 17% reduction in the total acreage under apples in the last decade.

The decline in apple production is a result of the economics of the industry during the pre-war period. It is probably a wise trend, since it may become difficult to dispose of apples. On the other hand, wartime revealed a shortage of other fruits, particularly citrus, and there has been an expansion of the acreage under most of these.

II. THE FUTURE.

Expansion in Relation to Future Markets.

The preceding survey of the chief farming industries suggests that their production is about the same as it was before the war; and that, although there is for the time being a large demand for extra production, it is doubtful whether that demand will continue

over the long term. Everything depends on the facts of world population, and on international trade developing in such a way that all the nations can acquire the basic necessities of life. All people with humanitarian ideals are anxious that the fruits of increased world production should be available for all members of the human race. However the ability, even the right, of any nation to share in this increase must depend on its capacity to maintain within its own borders a social and economic organisation which will enable it to be part of a world system, and also depends on a national outlook and policy which is in sympathy with such a system. Gifts of food or raw materials from one country to another are excellent as temporary gestures of goodwill during a period of special emergency or disaster, but they can scarcely be regarded as a satisfactory permanent feature of world economic organisation. Australia, with its rather limited capital resources and its immense developmental tasks is in no position to finance such schemes on the grand scale.

Recent events in various parts of the world cast doubt on whether the increase in *effective* demand for farm products will be as rapid as some would have us believe. On the other hand, some increases seems certain—the Australian home market itself is expanding, and the growth of secondary industry in India and some other Asiatic countries is likely to enable a gradual increase in their food imports.

The Farming View of Expansion in the Short Term.

Theoretically, the present high prices for farm products should encourage greater production and, if the margin between prices of commodities and the costs of labour and materials remains satisfactory, production will increase. Those who expect such a change to be rapid fail to understand the actualities of farming enterprise and what is involved in producing more. Some basic thoughts on the matter may clear the issues, and a few specific examples will illustrate the real nature of the problem.

Leaving all question of the climatic vagaries of individual seasons out of consideration, the volume of *grain production* can only be increased by cropping more frequently, or by intensifying the system of land use, or by clearing undeveloped land and making it into farms or, finally in the remoter areas, by improving transport and marketing activities.

In wheatgrowing, for example, the policy of more frequent cropping of the same land is certainly unsound. It has been amply demonstrated that in some regions, where our wheat soils have been over-cropped in the past, fertility has been depleted. The only

remedy is to lengthen the rotation—a procedure which, although it may increase the yield per acre will decrease the area under crop. In this case, the gain to the farmer lies largely in the extra number of sheep carried, and possibly in a decreased expenditure. The possibility of increasing wheat production by intensifying the system of land use depends on the introduction of more cropping into grazing areas in the higher rainfall districts. In the future, some of these districts may move towards mixed farming as a general practice. With the present high prices of wool and meat, such a transference would scarcely be justified, except on land where pastures can actually be improved by occasional cultivation. Whether such a change is likely, the future will show, but it is necessary to emphasise here that it cannot be made without a considerable readjustment of practice, a fairly large expenditure of machinery, and the employment of more labour. During the past few years both machinery and labour have been short.

The third possibility, that of clearing undeveloped land and making it into farms, is not a short-term method of expanding the volume of production. The further extension of the wheat belt towards the centre of the continent seems unlikely unless recent experiments which aim at artificially increasing rainfall prove to be economically successful. Apart from this possibility, both farmers and governments recognise that further expansion of the cereal acreage into the drier parts of the continent would be unwise. The bitter experiences of the past have shown that the unreliability of the rainfall and the attendant higher costs render such development too hazardous for private enterprise.

It is possible that some new discovery may change this situation by removing the hazards. One interesting instance occurs in the northern extension of the wheat belt in New South Wales and Queensland. In the past a major obstacle to wheat-farming in these regions has been the liability of the crop to "rust." Recently Professor Waterhouse, of Sydney, has bred new wheats which seem to be greatly superior to their predecessors in resistance to this disease, and it is possible that this may stimulate considerable expansion of wheat growing in the northern districts.

In the live stock industries production can be expanded, either by carrying more stock, or by carrying them more effectively, or by avoiding some of the wastage which occurs between the farm and the ports. The losses in the disastrous drought of 1944-46 show that, with present carrying capacity, it is unwise to increase Australia's livestock population much beyond the present figure, unless greater reserves of foodstuffs can be held and unless some more

effective method of feeding them to livestock can be found. On a sheep property taking reserves and hand feeding require extra labour and machinery. In the better rainfall areas, more subdivision of paddocks, more provision of water supplies, and better control of rabbits will be needed. None of these things can be achieved until both labour and materials are available. The importance of wire netting, fence wire, piping, and fence posts to the farming industries cannot be over-stressed. During the war improvements were not maintained, and on many properties there is a four-year lag to be made up. Unfortunately, we are told, owing to the shortages of coal, iron, and labour, the production of these things is smaller than before the war. Under these circumstances it is ridiculous to expect the farming industries to be able to develop greater carrying capacity or greater reserves of animal foodstuffs. If the nation wants a rapid increase in primary production it must direct the raw materials towards the production of these essentials at the expense of housing and other development.

The outstanding need in transport and marketing facilities is the development of efficient means whereby livestock can be moved from the outback grazing areas to the seaboard. To the outsider it seems as if political wrangles on the matter are preventing the adoption of an effective scheme. Given better marketing facilities, the cattle men of the north would have more confidence in the expenditure of capital to improve the standards of production on their properties.

Finally, the history of the slaughtering industry shows quite clearly that, unless the Commonwealth Government can devise a system of arbitration and conciliation which will ensure political peace at the meatworks, there is every reason for hesitancy on the part of the individual meat producer to spend his time, money and energy in trying to achieve better results. There is no other industry which is so vitally concerned with the maintenance of industrial peace, and the producers themselves have no voice in the matter.

It seems, therefore, that the short-term prospects for a large increase in production, either of cereals or of animal products, are not bright. In the meantime, the war has brought about a certain number of changes which have been advantageous. It has given the flax and linseed industry an opportunity of establishment. It has emphasised the possibility of our growing a number of products which we used to import. Above all, it has given a large number of young men from the country an opportunity to broaden their vision, and there is no doubt that the spirit of the countryside is livelier than in 1939. Added to this, the debt position of many

farms has been radically improved, and many farmers are now able to face the future with greater confidence. Many are willing to go a long way in developing their farms to a higher degree of efficiency, and in increasing their production along sound lines, but without the materials or the machinery and, in some cases, the labour, they are impotent.

Prospects for Future Expansion.

Even if the prospect of a rapid expansion of production is dominated by shortage of materials and labour for developmental work on farms, and even if the longer term expansion is clouded by doubts as to the capacity of the world system to absorb a great increase of exportable production, it is still desirable to summarise the directions in which sound development can occur. These seem to be:—

1. The allocation of more materials for farm improvements, including housing.
2. The improvement of the transport system of the large areas in the north, to which reference has already been made.
3. The review of land tenure systems, especially the conditions of grazing and pastoral leases. This is necessary to ensure that, on the one hand, lessees are encouraged to develop their holdings and experiment with the production of reserves and, on the other, that the system of land use does not lead to soil erosion.
4. The gradual inauguration of irrigation systems. In the southern half of the continent at least, we now know the chief pitfalls of irrigation development, and we are gradually learning the techniques by which irrigation can yield great increases in dairy products and fat lambs as well as in fruit growing and arable farming. Fortunately, plans for developing irrigation have been prepared well in advance and numerous new areas will come into production in the next decade. Many other plans have only been outlined, but these can be advanced as the earlier ones are completed. In Queensland, where irrigation has been but slightly developed, a good deal of investigation is still necessary, and practical steps toward this end are being taken.
5. Much can be done by the development of extension services to farmers on existing farms. The present system compares unfavourably with those of other progressive countries. However results are bound to be slow because, though it is often

easy to see what progress could be made if all existing knowledge were applied, this application often presents social or economic problems to the individual farmer which cannot be readily solved.

6. The greatest expansion of all will come from a close scientific study of appropriate methods of using the very large areas of poor soils in the higher rainfall areas. In the last twenty years, during which scientific work on soil problems has been greatly intensified, much knowledge has been gained on this matter, especially on the use of the poorer sandy soils of semi-coastal regions. As a result, large-scale development is now in progress both in South Australia and Western Australia. Districts which have defied attempts at intensive settlement in the past are now being developed with confidence. In Victoria also, farmers are steadily tackling similar areas when they can get the necessary material. All these districts are difficult, and ample technical assistance will be necessary if success is to be achieved.

The above schedule leaves no doubt as to the ultimate capacity for an expansion of production, the limits of which can scarcely be discerned. This expansion will have a different character from that which characterised most of Australia's farming development in the past. The days when brawn, and courage and common sense were all that was necessary are gone. Future expansion will require knowledge and skills of a different order, and these must be backed by competent advice based on scientific research. Whether the nation will be prepared to invest enough of its resources in research remains to be seen.

Canadian Economic Problems and Policies.

Comparisons with Australia (II).*

Benjamin Higgins.

A glance at a chart showing the course of any of the major economic quantities (income, employment, production, prices) during the first two postwar years in Canada reveals a striking fact: despite the greater degree of control exercised on the economy in the present transition period, the usual postwar pattern of minor recession and inflationary primary postwar boom has been followed again; but because of more adequate controls, the amplitude of fluctuations has been very much less than is typical of postwar periods.

The disjointed cessation of hostilities, first in Europe and then in Asia three months later, and the recognition that "V-E" day was in sight some months before it actually came, made the preliminary "recession" phase longer than is usually the case. Employment in manufacturing began to decline later in 1944, before the war was actually over, and declined sharply throughout 1945. It expanded again during 1946 and early 1947, but remained well below the wartime peak. The fluctuation in manufacturing employment was partially offset by expansion in other fields, notably agriculture and services, including trade, finance and transport. Total employment reached its peak at the end of 1944. Excluding the armed services, employment was at its recession low in October 1945, at which time it was more than 10 per cent below the wartime peak. Demobilisation was rapid, but was accompanied by withdrawals from the labour force.

As a consequence of this constellation of developments, recorded unemployment reached a peak of some six per cent of the labour force. Total unemployment was presumably significantly higher, especially if "disguised" unemployment is included. During the summer months of 1946, unemployment fell rapidly, and

* The first portion of this article appeared in the preceding issue.

by the end of the year essentially full employment had been restored. Unemployment increased again during the ensuing three months, unplaced applicants reaching 195,000 in March 1947. This rise was partly seasonal, and partly the result of shortages arising out of wide-spread strikes. By June of 1947 "full" employment ruled once more, and inflationary pressure has prevailed ever since.

Other indices show a similar pattern of postwar behaviour. Gross national income fell from \$11.8 billions in 1944 to \$11.4 billions in 1945, and \$11.2 billions in 1946; but in 1947 gross national income was up to \$13.0 billion, and indications are that the 1948 figure will be considerably higher. The drop in total production during 1945 and 1946 was greater than these figures indicate, since prices, after a very slight decline following the cessation of hostilities, resumed their upward course in October 1945, and rose faster during 1945, as a consequence of tax reductions and relaxation of direct controls, than at any time since 1941, when the general price ceiling was introduced. Total production dropped about 17.5 per cent between 1944 and 1946. Similarly, the expansion of income in 1947 and 1948 is very largely the result of accelerated postwar inflation. During the six years of war, a battery of direct controls and high taxes limited the rise in cost of living to 20%, less than in Australia, the United Kingdom or the United States; and wholesale prices rose 47%. With further decontrol and further tax reductions, the cost of living rose 23%, and wholesale prices rose nearly 30 per cent, during 1947 and the first half of 1948.

Regional Variations.

There were marked disparities in the postwar developments of different regions. In the Maritimes, employment followed a downward trend from the middle of 1943 to the middle of 1945, recovered considerably less during late 1945 and 1946 than in the country as a whole, and declined sharply in the first half of 1947. From V-J Day to March 1946, unemployment increased much more in the Maritimes than in any other region, and the improvement in the next few months was less than in any other region. In late 1946 and early 1947, unemployment in the Maritimes rose close to the 1946 peak, while in all other regions the seasonal peak in 1947 was well below that of 1946. In the spring of 1947, the ratio of unemployment to employment in the major Maritime industrial centres was 1½ to 15 times the national average. The inevitable postwar decline in shipbuilding, reduced harbour activity caused by the dwindling volume of foreign trade and the seasonal shift of shipping to Montreal, coal shortages due to strikes, the re-

latively greater dependence of Maritime industry on war contracts, the reappearance of secular and structural problems temporarily alleviated by wartime demands, a relatively low rate of current capital formation (which was partly a result of all the other factors) were among the reasons for the peculiarly acute employment problems of the Maritimes.

In Quebec, the course of employment and unemployment was very close to the national pattern. Industries where employment had been abnormally expanded by wartime orders, such as munitions, shipbuildings, and aluminium, suffered sharp postwar setbacks; but reduced employment in these industries was partially offset by expansion in consumer durables, construction, and services of all kinds, together with sustained high levels of activity in textiles, iron and steel, chemicals with peacetime uses, and pulp and paper.

Ontario suffered the least dislocation of employment during re-conversion of the other three industrialized regions. Some of the smaller war-inflated ventures experienced ratios of unemployment to employment 2 to $5\frac{1}{2}$ times the national average, but the province as a whole suffered no greater (percentage) decline in employment or increase in unemployment than occurred in the national economy; and the province enjoyed a more rapid and more complete recovery from the mid-1945 trough than the country as a whole. High demand for consumer durable and capital goods, of which Ontario produces a greater share than any other region, accounts to a large extent for the region's relatively favourable postwar economic history.

The postwar employment pattern in the Prairie Provinces has been unique. Employment fell very slightly from the fall of 1944 to mid-1945, and expanded slowly but fairly steadily thereafter. Nevertheless, between V-J Day and March 1946, unemployment increased about as much in percentage terms as in the national economy. In the major cities, where the few prairie province industries are mainly concentrated, the ratio of unemployment to employment was considerably lower than the national average; unemployment apparently occurred mainly in agriculture. The combination of rising employment and simultaneously swelling unemployment suggests a substantial "back-to-the-farm" movement on the part of men and women demobilized from the armed forces and released from war industry.

British Columbia has undergone the most violent war and post-war fluctuations in employment of all regions. Wartime indus-

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trialization was more rapid in British Columbia than in other regions, and since it consisted in large degree of industries like ship-building and aircraft that were directly dependent on wartime demands, the postwar recession was particularly sharp. Unemployment, however, did not increase very much more in percentage terms than in the country as a whole, indicating substantial withdrawals from the British Columbia labour force. The recovery in employment did not begin until the summer of 1946 in British Columbia, partly because of the reluctance or inability of former war-industry workers to move into mining, logging, fishing and agriculture where jobs were available. The recovery was rapid once it started, but was less complete than in the national economy.

The American Dollar Problem.

In addition to the problems arising out of a changing economic structure, Canada, like most other countries in the world, faces a chronic shortage of American dollars. Canada's balance of payments is dominated by the large import surplus from the United States, and the large export surplus to the United Kingdom. Before World War II, Canada used her sterling surplus to offset her dollar shortage. Now that sterling is inconvertible into dollars, Canada has great difficulty in obtaining enough American dollars to pay for all the things that Canadian households and firms would like to buy from the United States. As a result, it has been necessary to retain foreign exchange control, to restrict capital movements and travel in the United States, and to limit imports of certain classes of American goods.

Canadian Economic Policies.

The Canadian government is well aware of the economic problems it faces, and is preparing plans to meet them. The stated policy of the Canadian government for maintaining high and stable employment in the long-run has four main facets. Exports are to be encouraged; consumption is to be stabilised at a high and rising level; private investment is to be stabilised; public investment is to be undertaken in such a way as to accelerate national development, and is to be timed so as to offset fluctuations in private investment. The Government has expressed no hope that wartime levels of exports can be maintained indefinitely, but is aiming at a minimum volume of exports of one-half the wartime peak, or 15 per cent higher (60 per cent by value) than prewar.¹ This increase is ex-

1. Minister for Reconstruction, *Employment and Income (With special reference to the Initial Period of Reconstruction)*, Ottawa (King's Printer), 1945, p. 5.

pected to arise from "an expansion of total world trade, within which other countries as well as Canada can increase their exports."² To help achieve this expansion, "the Government will continue to press actively for wide collaboration among countries for the reduction and removal of world trade barriers."³ Imports as well as exports are expected to rise as the Canadian economy expands. "The expansion of exports is not looked on as a means by which unemployment is to be transferred to other countries, nor is the contraction of Canadian imports any part of the Government's policy."⁴ Nevertheless, it is recognised that for some years at least Canada "might . . . occupy the position of a 'creditor' nation."⁵ The Export Credits Insurance Corporation was established in August 1944, to provide the export trade with protection against contingencies that cannot be considered ordinary business risks, including war or revolution in the country of the foreign importer, blocking of funds or transfer difficulties, protracted default in payment by the foreign importer, or total insolvency of the foreign importer. The Corporation is not designed to protect Canadian exporters or financial institutions against the usual risks of competition.

To stabilise consumption, the Government will rely mainly on social security measures designed to help stabilise consumer incomes. "Unemployment insurance, family allowances, pensions and other assistance to war veterans, and the policy of farm floor prices are a substantial contribution to social security. These will give strong support to consumption expenditures, and consequently to employment, whenever the national income tends to fall."⁶

To stimulate private investment, the Government plans "the elimination or reduction of taxes on costs" and "removal of tax penalties upon enterprise."⁷ As one measure to assist private investment, the Government established the Industrial Development Bank in August 1944. The Bank was designed to meet needs for medium and long-term credit of a kind not ordinarily provided by the chartered banks or other lending institutions. Its purpose is not to salvage shaky firms, but to assist sound industrial enterprises which are unable to obtain their requirements from other sources on reasonable terms and conditions.⁸ The Government is also pur-

2. *Ibid.*, p. 7.

3. Dominion-Provincial Conference on Reconstruction, *Proposals of the Dominion Government*, Ottawa, 1945, p. 6.

4. *Employment and Income*, op. cit., p. 7.

5. *Ibid.*, p. 8.

6. *Proposals . . .*, op. cit., p. 6.

7. *Ibid.*, p. 7.

8. Industrial Development Bank, *Annual Report to the Minister of Finance*, Fiscal Year 1947. p. 1.

suings a long-run policy of maintaining low interest rates, although inflationary pressure has required some modification of this policy during the transition period.

Special assistance is provided to private investment in housing under the National Housing Act of 1944. The Government contributes 25 per cent. of mortgage loans to owner-occupiers or builders of rental projects. The Government's share is provided at 3%, the private lending institution's share is provided at 5%, making the effective rate to borrowers at 4½%. The Government will also lend at 3% interest to private limited dividend corporations (with dividends limited to 5%) to cover up to 90% of the lending value of low-rental projects. These loans are amortized over 50 years. Insurance companies have been authorised to make direct investment in housing projects, and to borrow from the Government on the same terms as limited dividend corporations, but are guaranteed a minimum return of 2½% and are not limited to 5% dividends. The Government also undertakes to cover half the loss borne by a municipality in buying slum areas and reselling them to limited dividend corporations for low rental projects. Under a 1946 amendment, the Central Mortgage and Housing Corporation, which administers the Housing Act, was authorised to make direct loans to purchasers of houses, but little use has been made of this power.

The Government does not regard "huge expenditures on public works" as a "cure-all", but believes that public investment has an important role to play in the rapid growth of the country, and that a well planned public investment programme can contribute to the stabilisation of employment whenever private employment declines.⁹ In its White Paper on *Employment and Income*, the Government stressed the need for "a substantial beginning along two lines:

- (1) The undertaking of advance planning of all necessary and desirable Dominion projects so that there may be available a "shelf" of soundly planned projects, ready for execution when prospective employment conditions make it desirable to increase public investment expenditures . . .
- (2) The implementation, in co-operation with the provinces, of a new Dominion policy of expenditures on the development and conservation of natural resources . . ."

The Dominion Governments proposals to the Dominion-Provincial Conference on Reconstruction emphasized the need for com-

9. "Employment and Income," *op. cit.*, pp. 14-17.

munity planning as the basis of an efficient public investment programme. The Government announced that it intended, "by preparing in advance to develop the nation's resources, add to its capital equipment, and raise its conditions of living, to provide employment to the extent possible when private employment is slack."¹⁰ It also proposed to give the provinces grants for planning public investment, and further grants to assist in their execution, if the execution was timed in accordance with national policy to combat inflation and unemployment. The full instrumentation of these proposals, and of the proposals in the social security field, now awaits completion of a Dominion-Provincial financial agreement.

Import Policy.

The disappearance of Canada's reserves of American dollars during 1947 and the growing passive balance of payments with the United States, necessitated new measures to conserve dollar exchange early in 1948. Exchange control had, of course, been retained throughout the transition period; but after January 1948, restrictions on travel in the United States and on capital transfers, which had been relaxed somewhat, were tightened again. In addition, imports of certain commodities from the United States were restricted, by outright prohibition, quotas, or taxes. The commodities selected for restriction were of a sort that could ultimately be produced in greater quantities in Canada, or for which sources outside the United States could ultimately be developed. It would appear, therefore, that Canada has embarked on a long range programme of industrial and trade development that would make the Canadian economy less directly dependent upon the imports from the United States. At this article has indicated, such a development is quite consistent with the whole trend of Canadian economic development since 1913, which has been one of increasing industrial maturity.

Economic Policy in Australia.

Economic policy in Australia, as well as the economic problem, follows a pattern similar to Canada's. As in Canada, special emphasis is laid on the importance of a high and stable level of exports. However, the Australian Government has stressed even more than the Canadian the importance of international collaboration, and especially of a full employment policy in other countries, for the achievement of this goal. Apart from merely offsetting contrac-

10. *Ibid.* p. 16.

tions of income from exports by expansion elsewhere, the Australian Government feels that about all it can do by itself is to encourage "development and diversification of Australian export markets for both primary and secondary products".¹¹ The aim with regard to consumer spending is stability, achieved through social welfare benefits and "the increase that will accrue to the lower income groups as productivity rises".¹²

The Australian Government attaches somewhat greater importance to measures for stabilising total spending as a means of stabilising private investment than the Canadian Government does, but direct stabilisation of private investment through low interest rates, ample credit facilities, and industrial and agricultural research has also been recommended. In the public investment field, national development is the primary aim, but counter cyclical timing is also to be sought. For the financing of extraordinary public expenditures, the Australian Government leans toward borrowing from the Central Bank. It also favours increased expenditures over tax reductions when unemployment threatens, since it regards the tax system as the major instrument for achieving a desirable redistribution of income.¹³

Implications of Canadian Experience for Australian Policy.

While the differences between Canadian and Australian economic problems must be kept well in mind, there is enough similarity between them for Australia to benefit from Canadian experience and *vice versa*. The failure of either country to deal adequately with the great depression, and the success of both countries in financing total war without serious inflation, show very clearly the need for an integrated fiscal policy at all three levels of government, and for a joint attack by all levels of government on the legal and administrative barriers to such an integrated policy.

In Canada, government officials and others interested in economic planning are beginning to wonder whether a country with so highly "regionalized" an economy does not need regional integration as well. They feel that policies to prevent inflation and unemployment and to foster national development must be formulated and executed on a region-by-region pattern. Accordingly, they are

11. *Full Employment in Australia* (Command Paper), Canberra (Commonwealth Government Printer), 30 May, 1945, p. 8.

12. *Ibid.*, p. 6.

13. Australian public investment and fiscal policy are discussed in considerable detail in my report on *Public Investment and Full Employment* (Montreal International Labour Office, 1946), Chapter 14, and in R. I. Downing, "The Planning of Public Investment in Australia," *International Labour Review*, Vol. LIII, No. 4, October, 1945.

discussing the possibilities and limitations of regional authorities, and of regional branch offices of federal departments concerned with public investment, housing, forestry, soil conservation, and the like. Australia may also find regional authorities useful in an all-out attack on inflation and unemployment, and in the promotion of balanced national economic development.

At the moment, the most pressing economic policy question in both countries is, "How can inflation be checked?" In this connection, the Canadian success in avoiding inflation while controls were on and taxes were high, and the failure to prevent inflation after controls were removed and taxes reduced, is an experience that Australians might well ponder.

The persistence with which the Canadian government has tackled Canada's economic problems since 1939 is in marked contrast to the defeatist attitude of government during and after World War I. In the earlier period, both government and the general public accepted inflation and depression as more or less inevitable effects of "outside influences." During World War II, and for more than a year afterwards, the Canadian government proved that the Canadian economy could be insulated against inflation in other parts of the world, including the United States. There is growing confidence that the Canadian economy can also be insulated against world depression. One reason for this new confidence is the recognition that however important exports may be for a high level of Canadian income and employment, the volume of public and private investment is a good deal more important; and the volume of public and private investment is subject to internal control. The same is true of Australia. Perhaps there is no more justification for a defeatist attitude towards the "inevitable" impact of world depression in Australia than there is in Canada.

True, full employment achieved by stimulating investment will not produce a standard of living as high as full employment achieved by investment plus a large volume of exports; some of the advantage of geographic specialization would be lost in world depression. But the standard of living would be much higher with full employment, achieved by public and private investment, than it would be with widespread unemployment.

Moreover, Canadian experience suggests that marked success of economic policy in the "middle" democracies can have considerable influence on the great powers. During the war, the obvious success of Canadian fiscal policy was a factor of no little importance in the ultimate development of an effective anti-inflation

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policy in the United States. The Australian recovery policy after 1932 evoked keen interest in the United States, and Australian economic events and policies have been closely watched by Americans ever since. If Canada and Australia can provide the world with examples of well-managed economies, operating smoothly within a democratic political framework, they will influence public opinion and policy not only in the United States but throughout the world, and so make a notable contribution to helping Western democracy through its most severe crisis.

Some Factors in the Development of Labor's Foreign Policies.

Lloyd Ross.

The central ideas around which this subject can best be developed are the Nationalist and internationalist influences on the development of the policies of Australian Labor.

Not always are the differences clear between these two concepts; only occasionally a search for reconciliation by Labor has been successful. Labor in the broad generalisations of its history has been divided on this question whether it should take as its point of departure the development of Australian nationality, or whether it be the harmonising of Labor and socialist actions and ideas in Australia with the ideas and actions of a world working class movement.

I propose first to trace briefly both the national and international strains inside the Labor movement, and then to illustrate the problems arising from these differences in a number of specific situations.

I.

The first Australian agitators were refugees from the political and industrial movements of Europe—mainly Chartists of all types,¹ but also Irish rebels,² victims of the 1848 revolutions, French Communards,³ isolated victims of oppression from Russia, Austria

1. There is often considerable doubt expressed as to whether the chartists exercised much influence on Labor or progressive history but the evidence is plentiful in such papers as "The Star." W. Duncan was a Chartist; as also were Henry Parkes, C. I. Don, James Stephens. A supplementary source of material that has never been explored is the succession of obituary notices of ex-Chartists that will be found in radical journals of the 'eighties and nineties' e.g. "The Tocsin" in March 4, 1901, announced the death of J. C. Burt "ex-Chartist". Mrs. Miller, "the grand old Labor woman" of Queensland was the daughter of a Chartist. ("Australian Worker" 19-2-14). See also an article of Frank Anstey in "The Sunrise"—Souvenir of the Labor Fair, 1909; edited by Senator E. Findley.

2. Died in Perth, aged 92, is Thomas Duggan, who was Number 59 of the Fenians transported to Australia in 1868 ("Australian Worker", 15 January, 1914).

3. There was considerable agitation in New South Wales during the early seventies on the question whether these could enter New South Wales.

and Italy.⁴ Whether the significance of the Eureka Stockade (1854) be minor, as academic Australian historians have argued, or significant in the development of Australian Democracy, as Labor historians insist, the men of Eureka were a cross section of contemporary revolutionaries—Peter Lalor (Irish), Vern (Prussian), Thonen (Prussian), Ross (Canadian), Carboni Ratfaello (Italian), Josephs (American Negro) and so on.

There can be no doubt that such overseas men kept open a channel of communication with developments in Europe and America, so that the first application of many ideas that had developed elsewhere was won first in Australia. Though local influences provoked the need, and the Australian environment was favourable to the opportunity, the winning of the Eight Hour Day, the extension of democratic measures, such as payment for Members of Parliament and Vote by Ballot in Elections, owed much to the activities of new Australians who were shouting old world slogans. Perhaps the most interesting and significant example both of such influences and of the way in which overseas ideas were also acclimatised, is that of the part played by James Stephens in the Victorian Eight Hour Movement. A disciple of Henry Vincent, the "Left" Wing Welsh Chartist, and rebel at the Chartist Rising in Bristol under Frost, Jones and Williams, a member of the Early Closing Movement in London, and a victimised worker on the building of the House of Commons, James Stephens was an active member of the Masons' Union in Victoria and the leader of the demand for Eight Hours working day. He built his argument on the practical basis that the Australian climate made necessary a shorter working week, but coloured his activities with the phrases, which he had learned as a Welsh Chartist.

By contrast Frost, the Mayor of Bristol, who together with Jones and Williams, was transported to Tasmania, played only a small part in democratic developments in Australia.

Among the books that were most influential in developing the independent political Labor Movement in Australia were "Progress and Poverty" by Henry George, "Looking Backwards," by Edward Bellamy, "The Co-operative Commonwealth," by Laurence Gronlund. Among the overseas visitors who, in assisting the development of Labor in Australia also infected that Movement with international ideas, and continued the links with Europe and America, were the Webbs, Tom Mann, Keir Hardie, Ramsay MacDonald,

4. The Victorian "Socialist" contains many references to such immigrants. There were extensive socialist groups in Australia, such as the Garibaldi Club, the Socialist Turn Verein.

Ben Tillett,⁵ Jack London. These books and visitors did not provide the growing Australian Labor Movement with a clear international policy, but they emphasised both directly and indirectly, the need to take into account external ideas, when Australia was forming its own policy.

The three most important influences were those of Tom Mann and English Socialism, the Industrial Workers of the World and American Socialism, the Communists and Russian Sovietism.

In addition to the examples already given were the decisive assistance rendered by Labor to the English dockers during their strike of 1889, and other strikes, the inauguration of May Day celebrations in the early 'nineties,' the demonstrations of protest against the execution of Sacco and Vanzetti after World War One, the financial aid given to Tom Mooney, imprisoned American agitator, the organisation of the British seamen's strike, the aid forwarded to Chinese co-operatives. These were genuine Australian expressions of working class solidarity, that owed nothing to the somewhat artificially stimulated Communist activities in recent years.

Labor has without question a strong strain of "internationalism"⁶ in the formative influences of its thinking.

But Labor naturalised these movements. So much so, that when the Trades and Labor Council of Sydney in 1948 was deciding to turn May Day into simply a local trade union demonstration, a delegate interjected, "There were no foreigners at Eureka!"

No sooner had the first Australian worker begun to suffer from economic difficulties however, than he demanded that limitations be imposed on assisted migration.

II.

The account of Labor's resistance to State aided migration, and to the entry of coloured races, has been traced in detail by J. T. Sutcliffe, in "A History of Trade Unionism in Australia," and by Myra Willard in "The History of the White Australian Policy." The demands for limitations on migration were undoubtedly economic in origin. Although on occasions, there have been expressed,

5. When Fitzgerald, whom the unions had sent to Britain for the purpose of raising strike funds, returned to Sydney he brought "phonograph" messages from Tom Mann, and Ben Tillett, J. Havelock Wilson, John Burns, Broadhurst and Michael Davitt.

"I have also a very kind message from the Right Hon. W. E. Gladstone to the young democracy of Australia and especially the great Labor bodies"—*Sydney Morning Herald*, 13-3-91.

6. E.g., "Empire Day is a blow at the objective of the Labor Party. The idea is to work the loyalty hypocrisy against Australians by infusing the spirit of grovel and snobbishness into the children of our schools."—"The Flame", Broken Hill, May, 1904.

isolationist and "jingoistic" utterances against Englishmen, Italians and Asiatics, in general the economic purpose has been sincerely regarded as the main reason for restriction. However, it is also clear, that a restriction completely justified by trade unionists for economic reasons, can be transformed into a policy of exclusionism, on racial or social grounds, that exerts an independent influence.

Another example of this are the consequences of a high tariff policy. The development of protectionist ideas in Australia seems to have been economically inevitable, but again, the policy has often been extended to assist limited sectional interests rather than to aid national development. And again the influence of economic ideas was to strengthen Australian isolationism.

A progressive policy becomes a conservative dogma, and policies, defended for limited and justifiable reasons, become orthodoxies, which few political activists feel strong enough to challenge or even examine.

When the Labor Party was formed in New South Wales in 1891 the ingredients in its development and membership were nationalist and internationalist, secular and Irish Republican, socialist and radical, Henry Georgean and collectivists, free trade and protectionist. Among the first Labor members there were held many varieties of combinations from such ideas—generally apparently most inconsistent. Labor worked out a number of reconciliations, that while never satisfying the theoretician, found a consistency in action. Thus, when Labor became high protectionist for economic reasons, David Syme, English liberal and follower of John Stuart Mill, had shown the way by insisting that *Laissez-faire* doctrines did not suit the economic needs of Australia. So "Left" Labor argued that a policy of protection and of higher living standards, of protection and the nationalisation of monopolies, not only reconciled a high tariff policy with socialistic aspirations, but created the only conditions for working class progress in Australia.

Before turning to a discussion of particular events it is important to restate a warning, obvious enough but often ignored, when writers talk of an "Australian" or a "Labor" view on defence or on international affairs. There is never such a view. There is a collection of views held by different groups inside the Labor Movement. At the most a resolution at a union or a political conference can be said to express at that time the views of the majority present; but the minorities are not silenced, are only occasionally suppressed, an influence continues, and never does unanimity prevail on any topic. The Party through its various organisations comes to

an opinion on a series of particular acts. The point is important not only as a warning against simple and inaccurate generalisations, but as indicating that in addition to the influence of ideas and the vested interests of groups, there are also the influences of the Party machinery, the Party solidarity and loyalty. These at times may limit the influence of the minority, or prevent discussion on party policies.

To summarise the conflicting and complementary influence on the formulation of Labour policies, they are, as I see these: Nationalism, Internationalist ideas, Working class solidarity.

The instances that are examined now, to illustrate these influences at work, are the growth of nationalism in the 'nineties'; the opposition to conscription for service overseas in World War One; the development of White Australia policies; in the discussions on international policy before World War Two; the framing of Labor's defence policy before World War Two; the latest developments on migration and international policies.

III.

Early Labor was republican in opinion.⁷ The republican idea was an extension of the Liberal demand for self government, strengthened to hostility to squatters, many of whom made their fortunes and retired to Britain. The poetry of Henry Lawson and the prose of Tom Collins were both the results of growing nationalism and factors in its intensification. The association of prominent writers with the working class movement,⁸ the hostility to overseas large landowners, the hopes that a new opportunity was being presented to the people who had migrated to Australia, the recognition that democratic achievement and national self determination were at this stage aspects of the same struggle—

7. E.g., "The Australia Republican" of "Independence—peacefully achieved, if it may be; but independence . . ."

"We call upon all who seek the emancipation of Labor, and who desire a Democratic Commonwealth of free and independent people, to join with us in organising a party on this broad principle of National Rights and Equal Justice. In support of the above we solicit the co-operation of all patriotic citizens, who sick of the degradation of party politics, desire to build up by constitutional methods, the 'Republic' of the southern seas to establish justice to preserve liberty to extend the spirit of Australian Nationality and to elevate humanity."

Reprinted in the Prospectus of "The Australian Workman, Daily Newspaper" issue of September 23, 1890. Of "Australian Labor Leader"—H. V. Evatt, pp. 18-19.

8. E.g., "Federation—A Poem", by John Bufton (E. W. Cole, 1891). "The Federation of Australia"—H. E. Russell, 1898. "The Song of Brotherhood and other Verses"—Je Le Gay Breton, 1896.

"Ave Australia: A Federal War Song"—W. T. Goodge ("Bulletin", 10 June, 1899).

"The Hymn of the Commonwealth", by John Farrell (to be sung by the adult chorus of 1,000 voices on "Inauguration Day").

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these gave a national basis to Labor ideas. No leader felt that there was any consistency between this strident nationalism and the recognition of world working class solidarity.

These were not exclusively Labor ideas. Australian Labor strengthened the tendencies, but also gave to these a special interpretation—namely, that the best guarantee of national freedom from overseas political and economic influences was the defence of the working class movement. Not only did “Left” Labor—to use the term of another day—or radical Labor, oppose Australian participation in overseas wars such as the Soudan and Boer Wars, but it did so for international and socialist reasons. Progressive democratic Australians must not be tainted by contact with effete imperialism; imperialism must be resisted anywhere. Labor supported an Australian Federation, but opposed the continuation of British links and the allocation of power between the Commonwealth and State.⁹

The factors then in this discussion on Labor’s attitude to the forms that national developments took, then, have been Labor’s opposition to their political prospects from the form of Federation, and Labor’s faith in the future of Australia.

Trade union interest in the development of “White Australia” policy was in origin mainly economic—the fear that the few Australians would have their improving standards lowered by mass competition. It was also social, humanitarian, and national—and in that stage of Australian development was necessary if an Australian nation was to develop. It was progressive, judged by basic working class standards, for only a monopolistic Labor movement in Australia during that stage of social development could have hoped to develop powerful unions and a successful political party.

Nevertheless it constituted a challenge to those who took seriously their ideas on socialist internationalism. It contained elements of racial prejudice, clearly revealed in the writing of internationalist William Lane, and in the conventional trade union discussions.

Communist influences as early as the Twenties and as late as 1948 attacked the policy, as being based on racial prejudice and as

9. The reaction of Bernard O’Dowd was representative of the Left Labor and Liberal groups in Victoria and New South Wales:

Workers of a nation
Destined to be great
Spurn this Federation
With the Kick of Hate.

Up, and in your thousands
Choke its reptile growth;
Bar your Country’s future
From a tide of Ruth.

(“Fetteration”—“Tocsin”, 1898.)

making impossible working class unity. That view has been contested by R. S. Ross in "Studies in Australian Affairs," as follows:

"Without the policy, Australia's standard of subsistence would be smashed to pieces. Whenever coloured labour enters into competition side by side with white labour it undercuts, undersells and underlives the white. Economically, white and coloured are as far apart as the poles. If I could, I would keep Australia white, because the last of the continents, it has fortunately become peopled by one race of one language, with uniform habits, customs, laws, traditions and outlook. One likes to picture the future if we could but be let alone to make a unique experiment of being undivided by color, customs and language, thus preserving a wonderful homogeneity, preventive of racial misunderstandings, disputes and lynchings such as fall to the lot of the peoples of other continents."¹⁰

R. S. Ross, however, recognised that the policy was a factor in the growing isolationism of Australian Labor. He felt that Labor had a responsibility not only to explain the reasons for the policy in working class terms, but to strengthen working class organisation in the Pacific, so that a challenge to the policy would be avoided by agreement. To quote:

"Not until 1925 did political Labour participate in even a Dominions' conference. In 1926 the Australian Political movement, for the first time in history, took part in an international conference—the world conference on migration.¹¹ Both conferences, if anything, accentuated Labor's problems, for the reason that the White Australia and migration policies, by the opposition aroused to them, served but to fling Australian Labor back upon a kind of Sinn Feinism. Nevertheless, the anti-war sentiment within its ranks induced it to endeavour energetically to promote, in 1927, a Pan-Pacific conference for the purpose of furthering mutual action to prevent war in the Pacific. Though the effort failed, the intention was eloquent of a changing spirit."

To-day Australian Labor is almost unanimously, very fanatically determined to resist any discussion on White Australia that might lead to a modification of the policy, even to such a restatement as would preserve basic needs and yet meet the criticisms of non-Europeans. No Labor leader of importance has raised any of the issues often discussed in overseas circles,—except to state that there

10. "Studies in Australian Affairs", edited by Persia Campbell; R. C. Mills and G. V. Portus (1928).

11. There were historical exceptions to this statement—Australia had been represented in the conference of the Socialist International.

is no need to raise them! But a serious problem may arise from possible differences between the closed thinking on White Australia and the demands of a foreign policy based on U.N. The Labor Movement without doubt has endorsed the Labor Government's policy of advancing good relations with the non-European countries surrounding Australia; but will good intentions always be reconcilable with present attitudes to the 'White Australia' policy?

The mixture of historical justification and the fixation of ideas, a progressive struggle turned into orthodoxy, idealism turning into ideology, the powers of an idea to become a simple test of political loyalty within the party, the strength of Australian nationalism, the power of the economic interest turning to a pattern of other ideas—these are the factors illustrated in this example of the development of a policy. Related here specifically to a discussion on White Australia, they are however present to varying degrees in all issues of Labor's policies.

Why was the Labor Prime Minister of Australia expelled from the Labor Party in World War One? Why did opposition to overseas conscription become a Labor dogma?

Because Labor often thinks in slogans, and then judges by the simple cuts of a knife. The slogan may be the culmination of an intense struggle, during which opponents are expelled or silenced by the weight of the majority. Opposition to conscription, beginning as the warning of a few, was organised in conferences and turned into a test of behaviour in the anger and hatreds of the controversy itself. Men, whose newspaper had been censored by the Government, were determined to use their success of an issue, that both sides made important, to discipline or punish those who had restricted their freedom. The workers who feared an attack on their freedoms and standards became the infantry in resisting conscription.

These are the new features revealed in our analysis.

These factors were present again in the Labor discussions on the attitudes to be taken towards conscription in World War Two, but key events moved more rapidly, the minds of men were quickly changed in Australia's danger; the recognition that Labor thinks in parallelogram of forces becomes more important. In World War One "Labor" opposed conscription and then obliquely opposed the war. Labor opposed conscription, because of a series of events only some of which were internationalist—although the leadership came from international socialists. Labor came to regard conscription as a nucleus—test of political behaviour, which must

be noted again in future issues. It is the tendency to exaggerate issues in a political controversy; the search of the Labor "left" wings for fundamental tests by which they may judge opportunism and compromising; it is the channelling of idealism into narrow channels, so that idealism may survive amidst the intrigues and opportunism of politics.

Only the trade unions among Australian Labor circles, seemed aware that grave problems were developing internationally, in the period between wars; only the trade unions, influenced partly by the Communists, recognised that with the rise to power of Fascism, a new terror was to be released throughout the world. While political Labor was shrinking into isolationism or escaping to academic pacificism, the Melbourne Trades Hall Council took the initiative in preparing a new document on Labor's foreign policy.

"Labor's Case against War and Fascism" prepared in January, 1935, began with the official declaration of the trade union movement:—

"The Political and Industrial Labor Movement of Victoria views with grave concern the imminence of another capitalist war, as the inevitable outcome of—(1) The struggle for markets amongst competing capitalist nations. (2) The development of nationalist economy and Fascism, which indicates both the economic drive towards war and a tremendous increase in the power of the Governments based on military dictatorships to make war; and (3) International hostility engendered by the failure of the capitalist system and the success of a socialistically planned economy in the U.S.S.R.

"The Labor Movement views with alarm the failure of the League of Nations to maintain world peace, and the failure of the Disarmament Conference to prevent world re-armaments. Labour condemns in particular the expenditure in war preparations of millions of pounds by the present Federal Government of Australia, while refusing to relieve the terrible distress and impoverishment of thousands of our unemployed workers.

We declare that the imminence of another world war is directly attributable to the private monopoly ownership of the means of production and the struggle for profits. Such being the case, capitalist wars, which are fought to decide which nations or groups of capitalists shall exploit the greatest number of workers, can only be ended by the complete abolition of the capitalist system, and the establishment of the common ownership of the means of production. Pending such change, the extent to which Governments may prepare for and engage in war is determined directly by the

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will and power of Organised Labor and the people as a whole to maintain peace."

Labor's policy was detailed in the following terms—

- (1) The economic cause of war and the fact that its effectual abolition can only be achieved by the establishment of Socialism or the common ownership of the means of production.
- (2) The military significance of Fascism, which overthrows Parliamentary control by force, facilitates capitalist wars, and provokes civil war.
- (3) Opposition to a war which threatens the national right of self-determination and socialism in any country.
- (4) The severance of political relations with nations engaged in capitalist war, and an embargo on the import or export of war materials to and from Australia.
- (5) The promotion of fraternal relationships with any other country which stands as a force for world peace.
- (6) Industrial support of the Australian workers for the workers of any nation, who are resisting capitalist war.

We quote two significant passages—the first as representing Labor's attitude to Fascism, the extent reflecting the carry-over of ideas from the first war period.

The first, which was later repudiated when the issue of Abyssinia arose, read—

"It will be seen that Labor stands uncompromisingly for the rights of minorities, for the independence of small and weak nationalities, and against ruthless exploitation by the great and powerful nations. Labor regards with horror the barbarous military suppression of the Chinese people, by the British, American, European, and Japanese, capitalists, and asserts the right of the Chinese people to work out their own destiny in their own way. The Labor Movement similarly is opposed to the ruthless military suppression of the Indian people by British capitalism, and declares its sympathy with the Indian people in their struggle for the right to govern their own country. Labor declares its sympathy with the Irish nation in its long struggle for independence and freedom, and with those South American peoples who are today being suppressed and exploited by the Capitalist oligarchy in control of the U.S.A."

The second, which Labor modified in the second World War, stated:—

"The adequate defence of Australia is affirmed in its obvious meaning that the defence of Australia means resistance to actual attack upon Australia. Labor recognises that all past Imperialist wars have been excused as wars of defence, and declares that in no circumstances will provision be made by Australia for military action *outside Australia* or for co-operation of any kind in any overseas war. This policy of defence is not to be advocated without directing the people's attention to the fact that, if such defence became necessary, it would be the defence of an oppressed nationality against predatory Imperialism, and would be an historic step in the fight for Socialism both in this country and in that of the Oppressor nation."

The long extract is necessary to illustrate what might be regarded as the traditional internationalist doctrines in the first period after World War One and that therefore by contrast with events revealed the power that national influences were exerting.

Industrial Labor did not act on the policy at first. The views, that Mussolini was guilty and had to be stopped from causing war, and that the use of peaceful sanctions could prevent the outbreak of war, were reversed overnight.

No explanation was given for the remarkable change. Some believed that religious influences were being exerted on behalf of Italy; others contended that Labor suddenly feared that war might follow and that war would mean the restriction of Australian liberties and standards; others believed that issue of opposition to Italian aggression, being organised by the Communist Party, had become involved with the intra-Movement struggle against the Communists. Whatever the explanation, a clear difference of opinion developed—and the internationalist influences were defeated.

The 1937 Australasian Council of Trade Unions, however, which met in Melbourne in July was a victory for the collective security group within the industrial movement.

A resolution supporting the Spanish Nationalist Government was carried unanimously. Both sympathy for Spain and the intellectual readjustments, were made necessary by this sympathy, were the main influences swinging the policies of the trade unions, towards collective action. To organise the masses against war; to oppose the rearmament policies of the British and Australian Governments; to

support a policy of collective security through the League of Nations; to continue support for the Spanish Nationalists, to oppose any resumption of compulsory military service—these were the main ingredients of a confused policy, which sprang from working class sympathy for Spanish workers, Communist solidarity with Russian foreign policy, continuous support for the League of Nations, and proletarian opposition to war.

Curtin repudiated these decisions—and they did not find a place in the policies of political Labor.

The achievement of John Curtin was that he resolved the differences and difficulties by a defence policy based on economic preparedness and expansion. Even though he resisted the "Sanctionists" inside his own Party and had rejected the belief that Australia by supporting collective security could assist to preserve world peace, and even though he made the serious appeasement mistake over Munich and seemed to repudiate socialist internationalism in arguing that there was no relationship between authoritarianism at home and Fascist expansion abroad, nevertheless he brought together most elements in his Movement for a practical policy that suited the protectionist, the isolationist, the anti-imperialist, trade unionist and could have satisfied the socialists, if their independent influence had not been rapidly wasting. Only the sanctionists and the Communists were excluded from this reconciliation—and even they found the movement of events more important than their theories.

IV.

The history of Australian Labor's policy in international affairs is a succession of patterns; of nuclei, of groupings. The factors examined are present in every series including the issues of to-day; argument and forces decide at every stage which shall be the dominant influence—and a decision will be made. That will become at a particular moment the policy of the Movement or of the Party, leading to a test of loyalty, or a piece of legislation, a Ministerial act or a historian's generalisation. But always the neglected or discarded factors, some of the defeated activists and groups remain, awaiting a turn of events that will give them an opportunity to exert an influence in the next formulation of a nucleus.

What then are the special influences being exerted to-day?

We have discovered that these in the examples given have been ideological and organisational, practical and bureaucratic.

The dominant influence being exerted by a personality (such as Dr. Evatt) the tendency of Labor in office to reduce discussion to a

minimum in those periods when the Government is fulfilling promises, the hardening of political arteries after a long term of successes—these constitute one aspect of the analysis of contemporary factors. The uncertainties and confusions created by the struggle against the Communist Party are important in a period when often the policies supported by Communist Party for its special reasons run parallel to those that Labor has supported in the past. That is another contemporary factor—which is illustrated by the sympathy of Labor towards Indonesia, suspicions of American dollar diplomacy, the feeling of trade union solidarity with Greek union leaders. Labor often has difficulty in supporting such ideas without being embroiled in Communist policy. Labor's political critics often for political reasons fail to acknowledge the independent Labor influences in such policies.

Those who may contend that Australian Labor is not internationalist or socialist, because on all issues that arise 'Labor' has not followed their view of internationalism on socialism are puristically artificial in their view of the demands and techniques of every political organisation in a democracy. "Internationalism" is a thread in a pattern—repetitive but not always dominant, influential often only in a futuristic design.

The simple clash between nationalism and internationalism with which this analysis opened has been proved to be satisfactory as a guide, but inadequate as a complete interpretation. The theoretical clash has often been resolved in practice. Recognised by some, the clash has only occasionally led to serious and sincere attempts at a synthesis, as in the quotation from R. S. Ross already given. Ignored often, it has produced serious difficulties for Labor as it did in the controversies that developed before World War Two. Emphatic therefore is the conclusion that Labor succeeds best in preserving Party unity and political effectiveness, where the search for a synthesis is made courageously and honestly.

These are examples of permanent features in foreign policy—which may be called internationalist—but Labor does not build a consistent and clear policy of internationalism, partly because Labor desires to avoid complete identification with Communist policies, and partly because national factors are inhibiting influences. For the first time in Labor history, the idea of increased immigration has been accepted by Labor in theory and in practice, both by industrial and political Labor. There are rumours of opposition below the surface, but the Minister for Migration (Mr. A. A. Calwell) by his drive, courage and determination, his ambition to make

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a success of his portfolio, and his influence over the Melbourne Labor movement in Victoria has compelled Labor to admit in practice a need, that the world situation has enforced in theory. The only opposition comes from Communist led trade unions, who have raised arguments based on racial prejudice, in order to limit the entry of men and women from areas, which are assumed to be non-Communist. The acceptance by Labor of increased migration policies, however, has been made possible only by the continuation of full employment; should there be a sign of business recession, then I believe that the Minister would find opposition beginning to develop inside trade union ranks, and so the other permanent economic influence in Labor foreign relations would again be expressed.

Another limitation on Mr. Calwell's policy is the determining influence of White Australia not only on the types of migrants selected—opposition to the mass migration of non-Europeans is inevitable and essential—but on the patterns of Australian behaviour. The Labor opinion, represented by the rare quotation from R. S. Ross, would have argued that there was no inconsistency between aiding colonial struggles for self-determination and enforcing in Australia the conditions which make possible our own self-determination. Labor would be wise still to defend White Australia on such grounds and only on these.

Note again, the contrast between the pre-war hostility to the League of Nations and the strong contemporary support given by the United Nations Organisation, due, partly, to the influence of Dr. Evatt, partly to the unwillingness of Labor to raise questions about a policy which is more in harmony with Labor philosophy than the pre-war isolationism. Note, also, the loyalty of the party to its leadership, resistance to Communist attempts to impose a Pro-Soviet policy, and of course the revival of the awareness that war can be prevented only by international action.

The present policies therefore, reveal not only the strengthening of international ideas in some fields, but a return to nationalism in others; it moreover illustrates the important political point that the organisation of a party and its mood towards internal discussions are often as important as the theoretical influences.

Three Roads to Thule.

Toynbee, Mannheim and Northrop.

E. C. Dyason.

- Arnold J. Toynbee: *The Study of History*, Oxford University Press, 6 vols., 1933-9.
The Study of History. Abridgement by D. C. Somervell, 1 vol. Oxford University Press, London, 1946.
Civilization on Trial, Essays, etc. Oxford University Press, 1948.
- Karl Mannheim: *Man and Society*, Kegan Paul, London, 1940. (Studies in Modern Social Structure).
- F. S. C. Northrop: *The Meeting of East and West*, Macmillan, New York, 1946.
The Logic of the Sciences and the Humanities, Macmillan, New York, 1948.

I.

These three apostolic visions, made in the twilight of what seems to be the approaching end of an epoch, bespeak a Trinity, joined by a single creative purpose, which if it can but reach men's understanding, may engender a new legitimacy in their hearts. Without this the people perish. The creative purpose in each is the perennial "desire and pursuit of the whole" but there are many ways to understanding. Here are three: the diagnosis by Toynbee of the spiritual basis of historical change, the rational analysis and prescription of Mannheim and the scientific and aesthetic synthesis of Northrop. The theological parallel suggested must not of course be pressed too far. There is no Father, Son or Holy Ghost to be identified in these three notable interpretations of human affairs, but it has more validity than the specious and incompatible Trinity of the French Revolution or the equally spurious and hostile symbiosis of Bolshevism, Fascism and Democracy in which human values are suppressed in a partisan Olympian struggle for one absolute or even one ideological prophet. Neither is it suggested that, in these three theses, the final goal of humanity is clearly defined — indeed it never may be — nor that there is established a specific norm by which all men can and must live. But the outlines of a new and compelling legitimacy are steadily taking shape after the century of "dreadful night" when it has seemed that physical science would obliterate all human values in a desolate void, where no act might be truly judged better or worse than another except in terms of habit, eroded dogma or the blind interaction of non-

sentient atoms. The Huxley blight is curable if not yet cured and even if, as now threatens, a third armageddon more apocalyptic than those preceding it, is upon us, the way to health will still be open.

It should be no longer necessary to defend, at length, the thesis that new concepts often precede and are related to profound changes in human affairs. For example, no one reading that most recent variant of the lives of the saints—"To the Finland Station", by Edmond Wilson—can fail to note the contrast between the puny material means and the powerful ideas that produced the cosmic explosion in Russia in 1917 or can doubt, however strongly he rejects the more grotesque fallacies involved, the demonic force and effect with which Marx scattered his explosive ideological mixture of insight, venom and error into the hearts of men a hundred years ago. To-day, the very existence of mankind is threatened by the possible consequences of a purely mathematical formula developed by Einstein when he, following Clark Maxwell's clues of 1861, propounded the special theory of relativity to account for certain observed events which did not behave according to the concepts of the then dominant Newtonian physics. From the moment when that theory was scientifically verified the world of man was faced with, and still faces, a sea change in both its material and its sentient life. As to the former, both the atomic bomb and the final laying of the ghost of Malthus¹ are equally inherent alternatives or sequences in the result of that celebrated controlled flight of the imagination. In the world of dominant concepts—traditional, political, religious or economic—by which men largely act, changes at least as great are in progress. In a few generations current belief will be cast in other moulds and will profoundly influence human action and relations.

From these two examples we may see that the recent and still current popular doctrine that all ideas are but by-products of social conditions is only slightly less absurd than the more limited dogma of Marx that all belief derives from the economic conditions that prevail. One might ask: what then determines these economic conditions? But this would be as idle as to enquire what determines the "ideas" which are seemingly so powerful. This modern instance of the old hen and egg paradox can only be resolved by a restatement of it in terms of relativity and possibly by means of the application

1. See *The Economist*, Dec. 25, 1948. "Escape from Malthus," page 1063, wherein is described the basic work now being done in the U.S.A. on carbon 14, a by-product of the atomic pile and which by its application to the control of photosynthesis may make possible the production of sufficient food for all the peoples of the earth in the foreseeable future.

of field physical hypothesis to the springs of human action and belief.²

Before attempting even the briefest appraisal of how far these searchers for Social Philosophy have given force and compelling content to their respective theses it will be well to essay a brief synoptic view of their several messages to mankind: that of Toynbee the epic poet of the past, of Mannheim the neo-architect of a golden mean and of Northrop the systematic synthesizer of knowledge.

II.

Arnold Toynbee needs no introduction to members of The Royal Institute of International Affairs. Apart from his fame as a historian, the Annual Review of International Affairs edited by him and issued by the Institute was for many a Pierian spring of knowledge. His monumental study of History whose cosmic scope it is impossible to compass in a commentary is so far incomplete. Six volumes, covering the first five of thirteen parts into which the complete work is divided, were published between 1933 and 1939 when the work was interrupted. The abridgement written by D. C. Somervell and published in 1946 captured the imagination of the reading public in the United States and elsewhere. Any quotations from *The Study of History* herein are taken from this abridgement.

"Toynbee," writes Somervell, "presents a single continuous argument as to the nature and pattern of the historical experience of the human race since the first appearance of the species of societies called civilizations." With that spacious definition of the scope of the work, limited as it is only by the significance which the word "historical" imposes upon the experience of the human race, we pass at once to Toynbee's search for "the intelligible unit of historical study" which may best serve the understanding of the nature and pattern of human historical experience. Rejecting at once, upon ample evidence, national limits and accepting Acton's dictum that "general history naturally depends on the action of forces which are not national but proceed from wider causes" he proceeds to define these "cultural wholes" and to indicate their spatial and temporal boundaries. Rejecting also, perhaps rather too completely, the views of the diffusionists, he finds twenty-one such societies in history. Since the period of "civilization" covers such a brief fraction of human life on the planet, all historical civilizations are, he considers, "contemporaneous". Apart from Western

2. Very interesting research is apparently being done in this direction in the U.S.A. by such workers as McCulloch and Pitts. This is discussed in a presidential address by F. S. C. Northrop to a combined symposium (sections I & K) of the Am. A.A.S., Chicago, Dec., 1947.

Christendom he names four;—Orthodox Christendom (Russia and South-eastern Europe), and Islam, Hindu and a Far Eastern Society as still living and which "although hard pressed" (at the time he wrote) "by becoming enmeshed in the economic and political ascendancy of the West, can still call their souls their own."

Writing in *Civilization on Trial* (page 8 et seq.) he summarizes his view of history as follows: "Thus history, in the sense of the histories of the human societies called civilizations revealed itself as a sheaf of parallel, contemporary and recent essays in a new enterprise; a score of attempts to transcend the level of primitive human life at which man, after having become himself, had apparently lain torpid for hundreds of thousands of years . . . This amazing differentiation had all happened within these brief last five or six thousand years . . . What was it that," he asks, "after so long a pause, had so recently set in such vigorous motion, towards some new and still unknown social and spiritual destination, those few societies that had embarked upon the enterprise called civilization?"

Declining what he considers the "unilluminating dogmatic and deterministic views" of Spengler as presenting but an arbitrary fiat based on a teutonic *a priori* method he approaches this basic problem through English empiricism and tests "alternative possible explanations in the light of the facts." The survey of those facts of the history of human civilization is such an amazing feat of erudition that if it were not for the web of imagery, imagination and insight which holds it together the reader would be so bemused by such a frenetic kaleidoscope that he could only conclude that, up to now at least, civilization was "not a good thing." Toynbee's answer is that "It is up to us."

Having rejected nationalism, diffusion and inheritance by conceiving his units of civilization so widely and contemporaneously (in the same scale of geology and cosmogony) Toynbee also rejects race and environment as sufficient causal impulses engendering specific civilizations; the first, on the grounds that all races (except, so far, the black race) are among the fathers of various civilizations; and the second, because there are areas, comparable to the cradles of civilization, where none appeared. So, rejecting pseudo-scientific explanations, he finds his cue in the mythology of Faust and in the modern soul myths of Jung. Thus mythology regains its old respect and, as so often before, is seen to express a pre-view, often much distorted, of what science will later specifically affirm or deny. Toynbee's expression of that myth is that civilizations arise by some great challenge and a successful response thereto of the people affected. He affirms that "the post mortem examination

of dead civilizations does not enable us to cast the horoscope of our own and there seems to be no reason why a succession of stimulating challenges should not be met by a succession of victorious responses ad infinitum." But he finds a "certain measure of Spenglerian uniformity in the path to dissolution of dead societies," not unexpectedly; since breakdown means the lapse from freedom into automatism this is apt to be uniform and regular. Briefly stated the regular pattern of social disintegration is a schism of the disintegrating society into recalcitrant proletariat and a less and less effectively dominant minority. This process of disintegration does not proceed evenly, it jolts along in alternating spasms of rout, rally and rout. In the last rally but one the dominant minority succeeds in temporarily arresting the society's lethal self-laceration by imposing on it the peace of a universal (unitary) state. Within the framework of the dominant minority's universal state the proletariat creates a universal church and after the next rout, in which the disintegrating civilization finally dissolves, the universal church may live on to become the chrysalis from which a new civilization eventually emerges. . . . "If the death of one civilisation thus brings on the birth of another, does not . . . the quest for the goal of human endeavours resolve itself after all, into a dreary round of vain repetition of the Gentiles?" But, says Toynbee, in the vision seen by the prophets of Israel, Judah and Iran, history is seen not as a cyclic or mechanical process. It is the acceptance of this vision that gives to Western Civilization its imperviousness to "cyclical pessimism" which was taken for granted by many of the greatest Greek and Oriental thinkers from Aristotle to Buddha. In that vision of the prophets, history is seen as "the masterful and progressive execution, on the narrow stage of this world, of a divine plan which is revealed to us in this fragmentary glimpse but which transcends our human powers of vision and understanding in every dimension. Moreover . . . the prophets through their own experience anticipated Aeschylus' discovery that learning comes through suffering, a discovery which we, in our own time and circumstance, have been making too" and he adds "The learning that comes through the suffering caused by the failures of civilization may be the sovereign means of progress The answer to this question, whatever the answer may be, is of greater moment than the still inscrutable destiny of our world encompassing Western Civilization."

Such in bald outline is the myth which, without permitting it to pass into arbitrary fantasy, Toynbee has pursued throughout the *Study of History* as so far presented. He decorates that myth with

the richest of historical illustration and develops it as a moving and living pageant of the spirit of life. Of the future he tenders many cautions and prophecies but rejects unhesitatingly a mechanistic determinism. The sterilization of fanaticism by physical science at the cost of extinguishing faith is regarded by Toynbee "as the supreme danger to the spiritual and even to the material existence of the Western body social, a deadlier danger by far than any of the hotly canvassed and loudly advertised political and economic maladies."

In reading these volumes doubts as to the validity of the myth become less urgent though they persist. One feels rather like Graham Sutherland on his own art. "I did not feel that my imagination was in conflict with the real but that reality was a dispersed and disintegrated form of imagination."

III.

What Herbert Spencer joined together in his Synthetic Philosophy, before the centrifugal force of over-specialization had put the "social disciplines" asunder, Karl Mannheim attempted once again in *Man and Society*. Professor of Sociology at Frankfurt between the World Wars, he experienced those convulsions in European intellectual life which reached their climax in the Hitler purges. The first part of *Man and Society* was written in German and published in Holland in 1936. Coming thence to the London School of Economics he finished the work and some years before his death, he published the revised and complete English edition in 1940. This in spite of the war conditions was reprinted three times by 1944. Mannheim is regarded by some as the most powerful influence in giving form to the present dominant political idea in Britain, namely "Planning for Freedom." The work is a passionate plea for the synthesis of the social sciences and their application both to Society and to man himself. This he regarded as the only means of halting the social disintegration which he saw, not as a temporary consequence of war, but as inherent in social change. This is a peril which haunted the author throughout his work. He quite frankly approached his theme from two angles—through German methodology and idealism and English empiricism. This combination of the theoretical and practical, while it gives a breadth of vision which is rare and valuable, introduces a major difficulty in the comprehension of the work by the mixture of two worlds of discourse. Apart from these two streams of tradition—the German and the English—there is his emotional attitude arising from his own experiences and his studies of Europe in war. One

passage perhaps defines all three influences and also Mannheim's main thesis.

"The new ways of drifting into a world catastrophe which neither leaders nor their peoples really desire, is the most tragic example of what one can call objective dynamics in history We are liars caught in our own lies. Public utterances were never less believed. Most of our great ideals are being more discredited than ever by their wholesale use in the market-place and still we march when the command comes We blackmail each other with the fear of war until the blackmail catches up with the blackmailers. We anticipate that there will be war. People predict dates for its beginning. Only who fights whom and why is still unknown There has seldom been a generation which was less willing for petty sacrifice and more likely to pay the supreme one without ever understanding why. It is, in the main, a calamity which occurs because men, in their actions have not learned to take a long range view, to adjust one institution to another, and to think in terms of a real psychology. But how can they learn to act on the basis of a broader insight if not even the social scientists aim at correlating the results of partial observations, if they divide their investigations into watertight compartments in order to escape social responsibility and work with a fictitious ad hoc instinct philosophy which itself unconsciously makes for war."

"The disentangling of this network that is strangling us can only come through action. It is untrue that we know little about the workings of Society and about the forms of action we can take. We could know enough to understand the main direction of events if only we had the will to control the situation which will otherwise enslave us and the courage for the kind of thought necessary for our age."

To this correlation of the knowledge of the social sciences, as applied primarily to the general theory and practice of social control and technique, Mannheim devoted his remarkable learning and power of synthesis. The effects of that synthesis are now apparent on many a political platform and in many trends of social legislation.

Though never relinquishing his position as "a man for whom freedom and personal responsibility were the highest of all values," he found himself driven by his concepts of social change to the conclusion that "planning" is inevitable and so he regarded it as "important for us to use all our intellectual energies towards finding a combination of social controls which would determine how far individual liberties would be left untouched in order to preserve

both the freedom of the individual and the efficiency of the community. He denied the validity of any abstract vindication of freedom as against regimentation, regarding this as too cheap a victory and he is concerned to discover what structural changes led to the downfall of the type of freedom, culture and democracy which prevailed in the nineteenth century.

His wide and still startling conclusion, to which he was led by the study of the causes of the contemporary crisis in culture, the changes in the character and formation of the "elites," the effects of dictatorship and war, is that "it is only by remaking man himself that the reconstruction of Society is possible The reinterpretation of human aims, the transformation of human capacities, the reconstruction of our moral codes are not subjects for satisfying sermons or visionary utopias. They are vital to us all and the only question is, what can be reasonably done in this direction?" Regarding chance discovery, invention and planning as three decisive steps of human thought and conduct he develops his concept of social technique regarding planning as the rational mastery of the irrational. He looked to the gradual transformation of both man and society through the techniques of "field structures", "situations" and social mechanisms operated by regenerated elites and, though admitting many of the now highly discredited "führer" principles, believed that freedom both in criticism and in intellectual sphere can be combined with compulsion as to the basic conditions of social life. This deep question and many other serious doubts and difficulties which any student of social affairs must feel towards such revolutionary proposals were at least freely admitted and squarely faced by Mannheim in the course of his analysis. It is clear enough that his broad conclusions about the possibility of remaking man and society by political direction is shared by those who make and direct the Communist creed and policy though they seem up till now, free from most of his principles, doubts and uncertainties. If as has been anticipated, following the recent scientific jingoism in Russia and the purge of the orthodox biologists there, the long deferred party congress adopts as the new compelling article of the Communist creed "Bolshevism remakes Nature" there may be a tragic testing of this hypothesis in this generation. But it will not be Mannheim's thesis that will be proved or disproved for this is not conceived in the Communist creed as one of free relation between the spiritual and manifest life but in terms of a historical necessity from which all idea of the individual freedom, responsibility and illumination has been purged. Moreover, as has been noted, the Communist field is not the only testing ground.

In almost all countries present political theory and practice accepts, in part at least, and acts upon the doctrine that the remodelling of man and society is possible by political means. The immense and confident literature on this theme is evident in Mannheim's biography of 72 pages and his was one of the major influences in giving content and inspiration to this, as yet, unfinished social drama.

IV.

Impressive as is the charting of the tragic courses of civilization, so movingly drawn by Toynbee and also the definition of the present position, direction and perils of Western civilization by Mannheim, these pale beside the ambitious scope of Northrop's vision. In his recent work, he essays nothing less than the organization of human experience and knowledge into one credible system which harmonizes and relates modern science, by which man increasingly lives—or dies—with that ancient immediate experience from which his values and a still preponderate part of his actions derive and towards which science has hitherto appeared to be contemptuous, dumb, or at least bereft of any touch-stone of validity. This failure of science to supply a set of commanding values in the place of those which its concepts appeared to undermine, is not only at the root of present disorders but has permitted the noxious growths of clamorous absolutes to flourish. The resolution of this schism which Northrop propounds could develop a potent healing influence in this riven world. If his thesis, which derives in part from modern science and arises from the present ferment, or a development of it, endures, human confidence may be reborn and many acute issues will disappear. No human can affirm with certainty that this marks one of the great departures in human thought, arising from the revolution in our conception of the nature of things. But that, put simply, is what Northrop's thesis is, if it is found credible and becomes established. Such a moment in history might be compared to the events in those splendid centuries when Greek thought emerged and the creative religions were born. As yet the outcome is too obscure while the immediate dangers of rapid change to the continued existence of humanity are all too clear. But what is also clear is that unless modern science and an acceptable system of values are assimilated into one whole the quality of life will, at best, continue to deteriorate. It is also clear that Northrop offers one such means of assimilation. Maybe his system should be likened rather to that of St. Thomas Aquinas who by reinterpreting Christian dogma in the light of Aristotle's science, then becoming dominant, healed a growing schism in human thought and provided a

precedent which must ere long be followed again by the Church if it is to survive, affirm and serve the ancient and eternal mystery of life.

Northrop may be regarded as having developed, in *The Meeting of East and West*, the special theory and, in *The Logic of the Sciences and the Humanities*, the general theory of human knowledge. The two novel instruments by which he has forged his system, arising from his creative genius and the rigor of his mind, are his logical method and his demonstration of the relatedness between the concepts of modern science of the West and the intuitive knowledge which the East has, for so long, sustained as fundamental and which he designates as aesthetic experience.

In *The Logic of the Sciences and the Humanities* the general method is developed and clarified. In it logic is conceived broadly to include any form of knowing in religion or art as well as in the sciences proper. Thus the Oriental ways of immediate apprehension, close to aesthetic sensitivity, which the Oriental ways of knowing call the method of intuition, are here treated as falling under Logic. This intimately relates Logic to Art, to Culture and the Humanities generally, including Religion. It also relates Logic and the Scientific Method to the relation between the knower and what he is knowing in the subject matter in question.

One of his basic tenets is that the specific kind of problem in any human enquiry is what determines the method for its solution not as is generally supposed, a general standard of truth and enquiry. This involves different approaches, in *The Social Sciences and the Humanities*, between problems of fact and problems of value, between factual and what are called normative theories respectively. "Each has its unique method or its unique sequence of methods for scientific verification. Even the scientific methods for solving problems of fact are more diverse than is usually supposed, varying in the natural sciences from one stage of the enquiry to another There is no one scientific method." This "forces one to face the previously controversial and unresolved question whether ethical problems can be resolved by scientific methods and if so what the specific methods are."

After contrasting the failure of traditional methods to solve a single "normative" or ethical problem with the successful removal of so many scientific problems from the realm of controversy and debate he suggests that "it is time for social scientists, moral philosophers and humanists to do the same with the traditionally proposed methods for solving ethical and normative social questions." He finds "the clue to the correct method in the character of the pro-

blems of value and the character of normative theory." His general theory and procedure, as expounded in *The Logic of the Sciences and the Humanities*, demonstrates how essential in the initiation of any enquiry, is a preliminary determination by analysis of the nature and character of the special problem into which enquiry is proposed. He traverses the methods of Bacon, Descartes, Cohen and Dewey to show that they have limited and special application and asserts that, from Galileo to Einstein, genius consists not in the method but in finding, at the outset, the key factor in any situation, leading to the heart of the problem. In succeeding chapters he describes the methods appropriate to the Natural History stage of enquiry, and to that of Deductively Formulated Theory and its various conceptual instruments as applied to the methods of physical science. Then passing through chapters on the function and future of poetry the relations of body and mind and the nature of biological causation, all in the light of recent advances in field physics, he proceeds to discuss the traditional generalizations of the social sciences in relation to modern scientific methods. He demonstrates, for example, that neither orthodox economic science nor that of Karl Marx, in spite of their partial truth, can generate a dynamic economic theory of any normative or predictive validity. By mixing two worlds of discourse they lead in any such adventure to a hodge podge of nonsensical dogma rather like "saying that electrons are pink." Their validity where it exists is confined to static economic theory though this is by no means without its importance.

"Can the methods of natural science," he asks, "determine the ends for which the discoveries of natural science are, or more exactly, should be, used?" To this question, which Northrop poses and pursues throughout his general thesis, his conclusion is that, if one means by this "what the traditional and moral philosophers such as the pragmatists and the ethical empiricists have meant, namely the application of the methods of modern science to the facts of society or to the pragmatic consequences in the future of present normative hypotheses, then the answer is unequivocally in the negative. The methods of natural sciences, applied either to present social facts or to future social consequences, give factual social theory, not normative social theory and it is only normative social theory that defines ends. None the less, the basic initial question is to be answered in the affirmative." But by another method. This method is to make "the primitive concepts and postulates identical in both the normative science whereby one obtains normative social theory which can be verified since the deductively formulated theory of natural science is scientifically verifiable. Normative social theory

projects its prescriptions upon Society, it receives its empirical verification from Nature. . . making the philosophy of the humanities and of the natural sciences one and the same."

These quotations give but the vaguest suggestions of a method pursued rigorously to its conclusion which is, naturally, not so starkly stated as here nor left without its cautions and conditions. But the effect of Northrop's treatment of the ancient dilemma on the mind of at least one reader, whatever may be its consequences in human affairs, is cathartic.

It was an occasion of high inspiration when Northrop in *The Meeting of East and West*, found, as the most apt medium to illustrate a severe philosophic treatise on the world's present ills, a selection of reproductions from ancient and modern art, both Western and Oriental. This treats of a special case of his general thesis and in it he applies the methods of the more general work with a rigor that is at time a little disconcerting. This task which he set himself here is that of relating the knowledge of the Orient which has investigated things in their aesthetic component to that of the Occident whose knowledge is based on investigation into their theoretic component. It was for the recognition of the importance of the former component that, for so long, our own Hardy Wilson has been a voice crying in the wilderness. Northrop finds these two aspects of human knowledge not contradictory but complementary; develops a mode of reconciliation between both Latin and Anglo-Saxon cultures and between the true and valuable portions of medieval and modern western beliefs and, *mirabile dictu*, finds a mutual reinforcement between communist and democratic values. Needless to say, he insists that there are many excrescent growths to be pruned away in each, not least in Western thought and religion and these he does not hesitate to specify and prescribe for. His demonstration of the social ills arising from the fallacy in Newtonian-Lockean concepts is peculiarly exciting, more especially, their resolution in terms of field social concepts.

Sceptics who would dismiss the foregoing claims as fantastic or who assert that no mere philosophic treatise can have such power or content are invited to read the book and ponder it. Whatever its final influence on the hard core of things as they are at present, here at least is a consistent, novel diagnosis of the world's distress and a prescription for its amelioration. It is admittedly not easy to appreciate the relation between the theoretical component of knowledge which being postulated but verifiable is indeterminate in time and space and an aesthetic component (prime sensory experience) which is determinate, nor are the consequences of this relationship imme-

diately apparent. It is clear however that since "the issues of the contemporary world arose because of the conflict between diverse modern and medieval scientific and philosophic doctrines this conflict cannot be resolved by reaffirming one of the factors which generate it." Northrop's thesis avoids this error and plots a methodology which relates the permanently valid in each to a consistent whole, rejecting that which does not conform to the nature of things and leaving the balance of experience to a field of preference as a joyful ground for future exploration.

V.

Each of these three great contributions to human knowledge, informed as they all are by wide learning and study, delivered with powerful exposition and united by an equally unquestionable integrity of purpose excite the same kind of wonder as we read them as occurs when we listen to a symphony and ponder its nature and composition. But when that is acknowledged, as it must freely be by anyone not blinded by the polemic passions of the moment, it is fit and proper to critically consider their concords and contrasts and above all to try to judge the success of each in making more secure the foundations for living in a world no longer satisfied to build on the quicksands of instinct, tradition, authority or dogma. Has any of the three breached that dictum of Bertrand Russell, echoing the despairing of wisdom and commonsense throughout the ages—"No one has yet succeeded in inventing a philosophy at once credible and self consistent"? Here at once the first contrast appears. Contemplating the vast canvasses of Toynbee and Mannheim one feels that one is being submitted to what Edmond Taylor³ called "the noble discipline of bewilderment." It is almost impossible to either reject or digest the vast array of social data that is there presented and at the same time relate it to the theorems with which these authors associate their work. The conviction grows that while these promethean labours are eminently valuable as promoting, in the case of Toynbee a "natural history" theory of civilization and in the case of Mannheim an analytic view of the nature of society, in neither case are their theorems likely long to endure the assault of higher criticism. Yet the frankly empirical theory of Toynbee has more poetic insight in it, and the analytic rationalizations of Mannheim, more passion than the restrained rigor of Northrop's method permits him to play in demonstrating the essential part of both these factors in human life. There is always the danger than in crucify-

3. *Richer by Asia*, Edmond Taylor, Secker and Warburg, London, 1948, a notable personal contribution to the meeting of east and west.

ing these two robbers of the philosophic claim to deliver the final truth, the central saving core of vision and prophecy is also crucified between them. We must recognise that, so far, the inspired vision of what has been, what is and what eternally ought to be are in different worlds of discourse but we should note that it is to provide a key to their relation that Northrop's work is dedicated. From this aspect the works of Toynbee and Mannheim are to be regarded rather as rich mines of knowledge than as the final metal of acceptable currency. They also serve as a spur and a warning in the pursuit of a philosophic synthesis. That they are more than this has already been indicated but it seems doubtful if either of them, in themselves provide a living faith by which men can live. Both perceive and state aspects of eternal verity but in terms which do not accord with what the world will, more and more, be compelled to believe in as to the nature of things. Though the religious and the humanitarian impulses are vital things they must be expressed in terms consistent with what is conceived to be the nature of reality if they are to be effective. If not their effect is purely hortatory and transient. This is something that confronts both church and state if they are not to remain the mere rearguard defences of a forlorn hope, in the onslaught against the legitimate values for which they stand. It seems doubtful also how far the actual evidence now adduced or to be produced in the future will sustain either the general theses of Toynbee and Mannheim. The subject matter of the former is so remote in time and necessarily of such dubiety that conviction is ever at the mercy of doubt on special points. In the case of Mannheim the particularisms of the component "social disciplines" are so undigested and controversial that confident prophecy of the effect of any "reform" is often impossible. Indeed recent political history is full of examples of generous policies negating their own aims. Two examples may be mentioned with regard to Toynbee's theory of the life history of civilizations. It is surely doubtful if Confucius looking back at the life in ancient China before him and in which he was so well versed, as well as forward, if he could have done so, at the life in China as it was lived in the eighteenth century, would have agreed with Toynbee that he was looking at two distinct civilizations. Again, when one is called upon to regard, as the cause of the "breakdown" of civilization in Egypt, events that occurred seventeen hundred years before its final dissolution it is difficult to give the weight which Toynbee does to their evidence. Yet both these doubtful assumptions are necessary if theory is to fit the facts. True, he is referring to a breakdown of "creativity" which he affirms leads to the destruction of civilization. Creatively is a term that badly needs a better comprehension. In

one sense there is no such thing as human creativity but there is new enlightenment. Creativity in the sense of "doing things" appears to be one of those delusions so fiercely attacked in J. C. Bennett's recent book, *The Crisis in Human Affairs* where he attributes the breakdown which threatens to just that delusion which has persisted during what he calls "the Megalanthropic epoch," beginning 2500 years ago, and now drawing to a catastrophic close. If this were the thought of a raw sensationalist one might laugh off his conclusions but it is the mature conviction of a highly trained British mathematical physicist telling us, in terms of modern knowledge that eternity and eternal values are a necessary component in our life if it is to continue to have meaning and content. In the case of Mannheim's thesis it is only necessary to mention the effects of prohibition in America and the parlous state of the world's "managed" currencies to realise the limited utility of currently available political means to encompass reformist aims. In the wider field of political theory the rise of what is probably the most despotic state in history as the result of the success of a doctrine which regarded the state as a vicious anachronism destined to "wither away" is evidence of the tragic results of the revolutionary application of untested dogma. It would seem that Mannheim, absorbed in the comparatively new and uncharted fields of social analysis and its offspring—social planning—has a very insecure basis for the general system of human values which articulates his work. Although, as Barbara Ward has pointed out in a recent article ("The Limits of Economic Planning," *Foreign Affairs*, Jan., 1949) "we are all of us planners nowadays", she also asserts that the limits of economic planning are being seriously questioned even by its protagonists. *A fortiori* therefore one must question proposals having in view the reformation of man himself as was envisaged by Mannheim. The hypotheses of the School of "The Sociology of Knowledge" with which Mannheim was so much concerned and which (using outmoded notions of causality) regarded most beliefs and opinions as moulded by changing conditions must yield before the developing concepts of field relations in social affairs.

With Northrop, as has been suggested, there is no inconsistency between the evidence and the theory. His whole thesis is held together by what he regards as scientifically verifiable postulates but there appear to be some difficulties as to the nature of the "epistemic correlations," which are a vital connecting link both in field physics, and the humanities as is between them. It may be that these conceal a weakness not otherwise apparent. Then, too, the field of specific applicability to political problems of his theorem is by no means defined as yet but, at least to one reader of his works, no other enquiry

into human understanding, while preserving an essential humility before the great mystery of existence, brings so clearly into harmony and credence a philosophy of living that includes and revivifies the wisdom of the ancients and accepts and applies the knowledge of the modern world.

There appears to be a startling neglect in Mannheim and his school of the importance of aesthetic experience in its widest sense. This may be a tragic error in the present political ascendancy of Mannheimian concepts. The contrast, too, between the conceptions of aesthetic experience in Toynbee and Northrop is also one requiring much better and wider treatment than it has received.

Mannheim's conceptions of the changing nature and functions of "elites" in society—and those of Toynbee ("creative minorities") are grounded in different notions of causality but here they seem complementary rather than contradictory. There are passages in Bennett's book previously referred to, on "the eternal role of schools" which will well repay study in this connection.

To sum up, it can hardly be doubted that there are potent possibilities of change in social and political concepts, policies and actions from the gradual diffusion of these, and possibly other, interpretations of history and knowledge. The convulsions in Asia make the special thesis of Northrop even more urgent, especially for Australia, than the present "East-West" conflict in the Occident, desperate though that is at present. The meeting of East and West (in both senses) is only possible by the interpenetration and mutual assimilation of the valid portions of each culture. Whether this will come about by peaceful means, by war, or, as seems likely enough, by both, does not of course, depend alone on the actions and attitudes of any one system. But any culture would be stronger—while having a better chance of survival and deserving it—if its concepts were grounded in what could be established as universally valid. By aiming at such a norm it would not only be better informed as to its own strength and weakness, as well as those of its contemporaries, but it would be contributing to the only possible solution of the human problem—that of living together, not necessarily in one political organization but in one civilization. As to the possibility of this one may conclude in Northrop's words:—"Although very different from the present in a far reaching way there can, nevertheless, be one world, the world of one civilization which takes as its criterion of the good a positivistic and theoretically scientific philosophy which conceives of all things, man and nature alike, as composed of the aesthetic component which the Orient has mastered and the theoretic component which it is the genius of the Occident to have pursued."

Some Thoughts on Japan.

R. S. Ryan.

Amongst the many problems left as a legacy to the world by the war is that of Japan. It is a problem that is of special interest to Australia for we are first and foremost a Pacific Power. Our geographic position is such that events in the Pacific—particularly in East Asia—concern us directly. It is from East Asia that our security is most likely to be threatened. It is in East Asia that our markets will largely be found in the future.

We cannot, therefore, look forward to the future with any assurance unless there is prosperity and reasonable stability in the countries of the Western Pacific. Both these factors are today lacking. The economic disorganisation caused by the war persists and even in some cases has increased, with the result that there are still vast populations living barely at subsistence level. The political situation is the reverse of stable. The Communists have made sweeping gains in China. There is war in Indo-China, Burma and Indonesia, armed disorder in Malaya, the threat of unrest in Siam. The cause of all these troubles lies in the growth of nationalism in peoples awakened in the war years by Japanese victories and Japanese propaganda and today spurred on by Communist agitation. Amidst all the turmoil of the Far East, there is only one country where order and stability is to be found and that is Japan under the American occupation. It is well that it should be so for it is hard to conceive of any real stability of the Far East without a stable Japan. I have no doubt that Japan's influence in the Western Pacific will be as great in the future as it was in the past. Of all the oriental nations the Japanese are the most cohesive and the most energetic. Their influence can be productive of evil as it was in the past, but I believe that it can also be productive of good, if they can learn the lessons which the war should have taught them and which the Anglo-Saxon Democracies are now trying to teach them.

I emphasize this at the outset because I think that we Australians have come to regard Japan as Enemy Number One who must at all costs be kept down. This policy is perfectly natural in a people, which all but succumbed to an unexpected and unprovoked on-

slaughter, but it leaves two questions to be answered—Is it possible? and Is it desirable in the long run? To both these questions my reply is—No. It is not possible because the other interested Powers—America in particular—are not in agreement; and we are not strong enough to enforce the policy by ourselves. It is not desirable because a weak Japan will never provide that element of stability which the Far East needs. The crux of the matter is how far it is possible to restore the economic strength of Japan without making her once again a menace to the Pacific.

The main facts of the present position in Japan are well-known and are not, I think, in dispute. The first fact that strikes the visitor is that Japan in its essentials is still a primitive country. It was organised—at least until the occupation—on a feudal basis and feudal ideas and customs still obtain throughout the whole country. The family unit is the basis of society and consists not only of the parents and their children but also of the near relatives. The head of the family—perhaps more appropriately called the clan—is the ruler of the ideas and usually also of the actions of the members. No enterprise in Japan is started by individuals without prior consultation with the family council consisting of of the head and senior members of the family. This procedure applies not only in the lower strata of the population but reaches up to the big industrial and business families, the greatest of whom (known collectively as the *Zaibatsu*) controlled the very large concerns. The effect of this system expresses itself throughout Japan in a form of paternalism in which individuals, whether they are executives of industrial firms or owners of small businesses consult freely with the other members of their family units. This all gives rise to a cohesion which is not to be found in other countries of the world.

The survival of feudalism is due to the long isolation of Japan from all contact with the outside world. It is only in the last fifty years or so that Japan has had any real contact with Western civilisation. The impact which the West has had upon Japan during this half century produced large technical changes in the armed forces, in industry and, to a lesser degree, in commerce, but it has left the Japanese population completely untouched culturally. We thus have a country to which Western ideas and Western ethics are completely unknown.

The second fact is the size of the population which today is 78,000,000 and increasing at the rate of 1,000,000 a year. Japan is, in fact, with 3000 persons to the arable square mile, the most densely populated country in the world. This fact while a cause

of concern today to many thoughtful Japanese, is no new problem for Japan. Centuries ago the paucity of resources in relation to the population was such that steps were taken by the Government with some success to discourage the birthrate and there is no doubt that action of a similar nature will be required again. Emigration is out of the question at least for the time being and the resources of the country, inadequate now for the present population, will certainly not support an increase.

For the fact remains that the country is extremely poor in natural resources. Only 16 per cent. of the land is arable. The rest is forest, moor and mountain. Japan has practically none of the products necessary to modern civilisation. She does not produce cotton, wool, rubber or nickel. She produces only about 10 per cent. of her requirements of oil, phosphates and iron ore. Tin, zinc, aluminium and copper are in very short supply and the available timber is only sufficient to meet 70 per cent. of her requirements. Finally there is the all-important question of food. Every possible square yard of ground in Japan is today under cultivation. Maize, beans, potatoes, cereals grow today along the road sides, in the middle of the roads, in the bombed out buildings—everywhere, in fact, where there is sufficient earth to cover a seed. Yet only eighty per cent. of Japan's food requirements are covered. Twenty per cent. or about 2,000,000 tons must be imported annually if the population is to exist even on the present low ration. Efforts are being made to increase the arable acreage by opening up marginal land in Hokkaido (the most northern of the four main islands) and by reclaiming land from the sea, but it is thought that the new acreage that can be obtained by these methods will not exceed 5,000,000. Japan's main source of protein is fish, but, though she is the foremost fishing country in the world and her production of marine products accounted in pre-war days for more than one-fourth of the world's total, her production today, with her reduced fishing waters, barely suffices for her own needs.

Such is the picture. Today the Americans are supplying to Japan the 2,000,000 tons of food necessary for her existence at an annual cost of £120,000,000 to the U.S. Treasury. If the Americans refuse to foot the bill, if these imports are cut off for a few years by the inability of the Japanese themselves to buy the food, 25,000,000 Japanese will die by the slow torture of starvation.

Apart from her poverty of natural resources, Japan possesses few capital goods. During the last 30 years of the period of Imperialist expansion, most of the profits of Japanese industry were invested not in Japan but in her overseas possessions — in

Korea, in Manchuria and in the islands. The amount so invested aggregated approximately £20,000,000,000. Most of this wealth which Japan amassed over so many years of expansion was lost when she was deprived of her overseas possessions after the recent war. But this is not the whole story. Much of the capital wealth inside Japan was destroyed by bombing. The sight of the devastated cities and the blasted factories impresses the eye more than anything else in Japan with the exception, perhaps, of the swarming population. Tokyo, for example, the third largest city in the world, was swept in the course of a few hours by a fire started by incendiary bombs and fanned by a raging wind. An inferno of flame, before which nothing could escape, gutted home and factory and destroyed or maimed men, women and children in numbers comparable to those who suffered at Hiroshima. What took place at Tokyo was enacted in all the great cities of Japan, with the exception of Kyoto, the ancient capital of Japan, which was saved by her capitulation. Today these cities have been partly covered with a mushroom-like growth of dwellings and partly with cereals, vegetables and weeds. But the gaunt framework of the factories still stand as witness to the devastation and loss of Japan's great industrial plants. The result is that her secondary industries produce only fifty per cent. of their output in 1932, and twenty-five per cent. of what it was in 1940, when it had reached its peak just before the outbreak of war.

The only real asset that Japan has today is its labour force of millions of industrious wage-earners. Of the numbers there can be no doubt. As to the efficiency of these numbers opinions differ. Many thousands of Japanese have been employed in our military establishments in the B.C.O.F. area. Our officers say that the men learn their jobs quickly and work well when under supervision but that they cannot bear comparison with the average Australian for intelligence or output. This I believe to be true. One sees two or three Japanese working on a job which would be easy for one Australian. For example, the Japanese Railways (which are very efficient) employ gangs of 40 men per mile of track and the same superabundance of labour is to be found in all the large industries. There is, of course, more than one reason for this state of affairs. Labour is cheap; there is the desire to spread work over as many as possible until the present shortage of machine tools is made good; there is finally the fact that the average worker is not highly efficient. The world has, I believe, overrated the efficiency of Japan in the past. The truth is that efficiency declines as one moves from the bottom to the top. The labourer on the

farm or in the factory is industrious and efficient, the foreman and superintendent less so, until one comes to the top executive and secretarial positions, the occupants of which are, with some exceptions, of a low order as judged by our own and American standards. In regard to Japanese efficiency, I remember well the remarks of a high-ranking American who has been in Japan since the beginning of the occupation and who had been through the Pacific War. "After the astounding Japanese successes at the beginning of the war, we Americans said to ourselves 'How can we ever beat this country?' After eighteen months fighting our thought was 'When will be beat this country?' Now that we have been in Japan for three years and have come to know the Japanese, our one query is 'How did Japan ever manage to make war at all?'" This, I think, about sums up the Japanese.

That is the picture, roughly, of the economic position. The population can not be sustained from the production of the Japanese islands. Food must be imported if millions of Japanese are not to die, and, failing American subvention, the food can only be had by credits through exports. On what exports can Japan rely for her foreign credits? Before the war her main exports were silks and textiles. Silk goods have now been largely ousted from the world's markets by nylon and rayon. The textile industry of Japan will never again have available its previous markets. India and Australia for example, have greatly expanded their textile industries. The cost of production has also risen. Whereas in pre-war days Japan could sell to India piece-goods made of cotton imported from India at a price appreciably lower than that quoted by the Indian mills, today India's costs are lower than the Japanese. Japan will have therefore to look to other classes of exports—electrical goods, glass and chinaware, machine-tools and the products of her light-heavy industry, if she is to be able to meet her bill for food. Her market will continue to be mainly in the poverty-stricken countries of the Far East whom she will, in spite of rising costs, still be able to supply with the cheap goods that they are only able to afford. But these markets will not be sufficient. She must look further afield and here she meets with difficulty. Japan and Britain have this in common—that both require a large export trade in order to live — but there is this difference. Britain enjoys the goodwill of the world, Japan has only the hatred. The world wishes to trade with Britain but only with reluctance buys the goods of Japan.

The objectives of the occupation are two in number—the demilitarization and the democratization of Japan. The first of these

objects is materially easy to achieve. Japan today has been effectively demilitarized. All her implements of war—warships, aircraft, tanks, guns, ammunition and the rest have been destroyed. The arsenals and industrial works—the source of these implements—lie in ruins. The armed services have been disbanded and dispersed to their homes. There only remains the important question of moral disarmament to which I refer later and which is closely allied to democratization.

The framework of democracy has been erected. A new constitution has been brought into being on the lines of the Constitution of the U.S.A. though there is an analogy with the British Constitution in that the Emperor has been made a constitutional monarch. The Constitution vests power in the people and provides for the election by them of practically all the occupants of executive posts. Independent courts of justice have been established throughout the country. Power, completely centralized in pre-war Japan, has been decentralized. Economic reforms have been effected. The *Zaibatsu* (the big family concerns like *Mitsui*) have been torn to pieces. The system of land tenure has been changed with, I think, great advantage to the country. The estates of the large proprietors have been bought by the Government and sold to the farmers. The result is that today nearly all arable land is owned and worked by the farmers with an average size of farm of two acres.

Labour, including child labour, is now regulated by law. Trade Unions have been re-established and encouraged. There are now 6,000,000 trade unionists divided among about 30,000 Unions, an enormous total.

The inheritance tax is being levied to distribute the power, now held by the head of the family, amongst the members, thus bringing some sense of equality amongst the people. Steps have been taken to emancipate women from their subservience to men.

Finally, education, which alone can change, in the long run, the mentality and customs of the people, has been taken well in hand. Twenty per cent. of the half-million teachers have been purged. The purge should have gone further but, if education is to go on, as it must, many teachers, who should perhaps have been purged, have been retained for lack of someone to replace them. New text-books have been issued and the educational system formerly controlled by Tokyo has been decentralised.

This is only the barest summary of the reforms that have been introduced. There has, of course, been much criticism. More should have been done here, more there. But the reorganisation

and reform of a great nation like Japan is a complex business and it is not easy to graft a Western head on to an Oriental body. I know, however, this—that the men responsible for the action taken, from General MacArthur downwards, are a most capable and enthusiastic body of men and that they are carrying out their difficult task with great efficiency.

It is an easy matter to give the facts and figures in the composition of a nation. It is when one comes to the imponderables—the national habits of mind and action on which everything ultimately depends—that the task becomes difficult. What will be the outcome of Allied policy in twenty or thirty years from now? Will Japan by then have become a peaceful democratic country or will she have reverted to her policy of aggression pursued over so many years? I will first suggest an answer to the last question. We have already had in our lifetime the case of one country—Germany—occupied by the victors, demilitarized and given a democratic constitution. We have seen that country arise from the ashes, overthrow her constitution, re-arm and break out more powerful than ever before in full aggression on a world longing for peace—all this in a period of less than twenty years. There are many who believe that Japan will follow the same course. I do not think so myself. Though superficially Japan, after the present war, and Germany, after the first World War, present similar features, there are important differences when the two cases are examined closely. It is true that Germany adopted the Weimar Constitution. It is true that Germany was demilitarized to the extent that her armaments were destroyed and conscription abolished. But there the similarity ends. The Weimar Constitution and the Treaty of Versailles left the main structure of old Germany intact. Her officials, her administrative machinery, her educational system, her military organisation (camouflaged as the Reichswehr), her factories—in fact the whole of her apparatus for peace or war—remained unchanged. Every man in power during the war remained in power in the civil administration after the war. All that was done was to put a democratic cap on the head of the Junker body. All that Hitler had to do was to replace the cap with the Nazi head-dress. The body was his to use as he liked.

In Japan the constitution has been changed, the Navy, Army, and Air Forces with their arms have gone. But much more has been done than that. The old bureaucracy has been largely purged and the administrative machine has been modernised on democratic lines. Japan's war potential has been broken for a gen-

eration. With all the resources of her overseas possessions and with the help of Western brains and machines, it took Japan fifty years to build up her military strength. The great naval arsenal of Kobe, which at the opening of the war employed over 100,000 men, took twenty years to develop from small beginnings in the first World War. With no internal resources it will take Japan many years to rebuild her armaments. All her basic requirements for these must be imported and can only be imported with the help or connivance of some foreign power. Control, which I believe to be necessary if only as a precaution, will not be sufficient whether exercised from within or outside Japan.

There still remains the question of moral disarmament and this is bound up with the democratization of the country. History has shown that democracies are rarely if ever aggressive. The question which is in all minds is whether Japan will ever become really democratic. I found many Allied officers and men in Japan who expressed their keen disappointment as to the small progress the Japanese have made along the democratic path. If real progress had been made it would indeed have been surprising for it is not to be expected that the habits and customs of centuries are to be eradicated and replaced by new ideas and beliefs in the course of a few years. The re-education of a nation is a slow affair and must continue for at least a generation before youth can take over from age which new ideas pass by. It is for that reason that I believe that the occupation, or, at least, the supervision of Japan should continue for at least fifteen or twenty years. If and when democracy takes possession of the Japanese mind, it will not necessarily take the same form as with us. It is hard, if not impossible, to fit western ideas into an oriental head but I believe that democracy as we know it can be adopted and fashioned to suit the oriental character and this without loss of the essentials. There is, I think, reasonable hope that Japan will become a democratic country. In the early 1920's a government born of an upsurge of liberal thought was in office until the militarists overwhelmed it. The people have shown considerable aptitude for the early phases of democracy though this is not proof that the final phases are within their capacity. Democracy has met with its greatest success in the Western Nations. Our democratic institutions in their present form may not be acceptable to the Japanese but I believe there to be a good chance that they may adopt them in a modified form to suit their own character and conditions.

Australia's UNRRA Contribution.

N. O. P. Pyke.

At the end of June, 1948, the UNRRA South West Pacific Area (SWPA) Office in Sydney closed; this, of course, reflected the steady contraction of the Administration towards an ultimate elimination some time late in 1949. A few facts on Australia's UNRRA contribution may therefore be considered opportune in the intervening period before the three volume Official History of UNRRA's operations in various parts of the world is published as one of the Administration's last acts. It must be emphasized, however, that no mere article can adequately cover the Australian contribution to the U.N. Administration for the rescue and resuscitation of so many countries devastated by the war. Just what facilities and difficulties, generousities and meannesses were encountered in the South West Pacific Area, for example, must be left for later and fuller treatment. This article, then, does not pretend to be even a comprehensive outline; there is virtually no mention of Australia in UNRRA'S Councils and Committees, nor of Australia's servicing of UNRRA SWPA procurement, nor of the Australian voluntary contribution. The article merely indicates in a preliminary way the degree of support promised for UNRRA'S relief operations and the type of support actually secured. Both these aspects gave rise to considerable discussion, not to say contention, and the following basic statements, facts and figures should help to clarify the true position.

The Degree of Support Promised.

UNRRA, "something new in conception and form", was established in November, 1943, but the question of post-war relief had received attention from the Government of the Commonwealth of Australia for more than two years before that date; in fact its interest had existed "almost continuously" from the establishment of the Inter-Allied Committee for Post-War relief in September, 1941, and "from the outset" it had been "anxious for a successful outcome

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of such discussions".¹ As the war progressed, the original approach to post-war relief broadened with the development of United Nations concepts potentially covering the whole world. In the result, various proposals for the establishment of an international relief organization culminated in 1943 in a draft agreement, supported by the British, Soviet, Chinese, and United States Governments, for a United Nations Relief and Rehabilitation Administration. This draft was released for publication in Australia by Mr. Curtin, the Prime Minister, in June of that year.

In an official covering pronouncement² to this press release, the Prime Minister briefly outlined the history of Australia's official attention to relief problems (above), and said further: "The Commonwealth Government is deeply interested in the whole question of relief and rehabilitation as a practical approach to a specific set of post-war problems. The Government will give close and sympathetic consideration to the proposals now put forward by the U.S. Government Subject to the further discussion of details, the Commonwealth Government has no hesitation in saying that it welcomes the prospect of early action by all the United Nations to deal with the immense problems of relief in a practical way, and that it approves of the general principles on which the draft agreement is based. At all stages of the preliminary discussion the Commonwealth Government has stressed its special interest and responsibilities in the Far East, and it may be expected that Australia will have a major contribution to make to the work of the proposed Committee of the Council for the Far East, while at the same time doing whatever lies within its power as a producing country to share in the work of the whole organization. I have already taken steps to set in train an inquiry among Commonwealth Departments concerning the ways in which the Commonwealth can collaborate effectively in the work of post-war relief, having due regard to the parallel responsibilities of conducting the war vigorously and maintaining the stability of her own economy." The last sentence is especially significant.

In October of the same year, the Australian Minister for External Affairs, Dr. Evatt, in a Statement on International Affairs in the House of Representatives,³ also justified Australia's participation in a relief organization, saying: "Australia cannot refuse the duty

1. Commonwealth of Australia, Department of External Affairs, *Current Notes*, Vol. 14, No. 6, pp. 181-2. *Australian Quarterly*, September, 1946, p. 38. Cf. Commonwealth Parliamentary Debates, 1944, 17th Parliament, Session 2, 1st period, p. 41.

2. *Current Notes*, op. cit.

3. October 14. See *Current Notes*, op. cit., Vol. 14, No. 8; Commonwealth Parliamentary Debates, October 14.

of active collaboration with such a body, especially as this country has always been to the fore in similar measures of relief wherever disasters have caused famine or want in other countries." This statement came a week after Sir Earle Page, speaking from the Opposition benches in a Budget Debate, had said: "We already have famine stalking through India, China and many of the occupied countries of Europe. If this evil be not ended as soon as peace comes, I fear that we shall sow the seeds of of an early renewal of this great international conflict. I am satisfied that the outbreak of this war was to a large extent due to the fact that no provision was made to deal with those problems at the termination of the last war."

In view of the Australian Government's attention to relief and rehabilitation to this point, it followed naturally that Australia should sign, in November at Washington, the UNRRA Agreement between "44 United and Associated Nations".⁵ The Australian Department of External Affairs periodical *Current Notes* commented⁶ that "this agreement (was) of special significance as it (was) the first formal agreement signed by the United and Associated Nations." On the day after this Agreement was signed, delegates representing all the signatories met at Atlantic City at the First Session of the UNRRA Council, and in the following three weeks they discussed and passed, especially, 41 Resolutions on Policy (General, Relief and Rehabilitation, Finances and Supplies, Organization and Administration).⁷

Now Sir Owen Dixon, Envoy Extraordinary and Minister Plenipotentiary of Australia in Washington, signatory for Australia of the UNRRA Agreement and Member for Australia on the UNRRA Council, was selected one the three Vice-Chairmen of the First Session of the Council. In accepting the office of Vice-Chairman, Sir Owen spoke⁸ of "the many difficulties" of planning and organizing UNRRA work in a time of war in which the supply of armies was "paramount", and he also called attention to the likelihood of Asiatic and Pacific hostilities continuing after peace was secured in Europe; however, he did hope, as "one coming from the South-West Pacific", that UNRRA'S activities in Asia and Oceania would begin "in the wake of the advancing armies" and before its work in Europe was done. Sir Owen also desired that UNRRA's requirements would "rank with other claimants whose demands

4. Commonwealth Parliamentary Debates, October 7, p. 255.

5. *Selected Documents of First Session of the Council of UNRRA*. U.S. Government Printing Office, 1944.

6. *Current Notes*, *op. cit.*, Vol. 14, No. 9, pp. 319-22; No. 10, pp. 357-8.

7. See *Selected Documents*, *op. cit.*

8. *Current Notes*, *op. cit.*, Vol. 14, No. 10, pp. 355-6.

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for the purposes of war (would) persist until the enemies of every United Nation (were) annihilated". How far Sir Owen was speaking for himself alone in this last pronouncement is obscure, as is the precise meaning of "rank"; he had just previously said that military supply was "paramount". Apparently there was already some perplexity about the status of UNRRA requests.

Later, broadcasting to Australia from Atlantic City at the end of the UNRRA Council's meetings, Sir Owen Dixon said:⁹ "Australia has been alive to the exigency for a long time and she has already agreed to contribute some of her wheat for relief purposes. The task is a formidable one . . . Supplies will be limited at all stages and the war needs of the Pacific Area must have due priority. The vast call for supplies from Australia, New Zealand and other countries of the Pacific Area must certainly be for the war in that area. Nothing must prejudice our efforts to bring it to a successful conclusion at the earliest possible time. Of wheat, no doubt, we will always have a surplus, but the extent to which that can be called on will depend on shipping. How far countries in the Pacific can help Europe must be controlled by the war against Japan. All these things are recognized in the discussion now going on or in the plans now being prepared. The plans must be elastic and adaptable and the part to be played by each country must be acceptable to its government. Australia and New Zealand, for example, must consider both their own needs and those of Great Britain, where food and other essential civilian supplies will continue to be short as long as the war lasts and scarcities continue. These are some of the difficulties. UNRRA is not dismayed by them; rather is the Council inspired by the opportunity now presented both to do a great service to the world and to gain more experience for the larger tasks which must follow." This broadcast to Australia paid rather closer attention to practical details and the place of UNRRA claims than did Sir Owen's previous speech accepting a Vice-Chairmanship of the First Session of the UNRRA Council; the Australian public had to be educated—as distinct from the Council impressed.

Not least among the commitments undertaken in the November meeting of UNRRA's Council, were financial contributions of 1% of the national income for the year ending June 30, 1943, by member governments whose territory had not been occupied by the enemy. However, such contributions, determined by each member government, were subject to any conflicting demands arising from the continuance of the war, and it was also recognized that

9. *Ibid.*, pp. 358-9.

such appropriations might on occasions be "excessively burdensome because of peculiar situations";¹⁰ perhaps it was on the strength of this Resolution (No. 14) that Sir Owen Dixon spoke as he did in the above broadcast. For Australia, the financial provision meant a first payment of £A12,000,000. Australia was thus the fourth largest contributor to UNRRA, though the U.S.A. in fact dominated the total amount to be supplied. Ninety per cent. of the contribution was to be spent in Australia, the remainder being (theoretically) available to UNRRA in external currency if necessary.¹¹

Such appropriations required a basis of local legislation, and for this Dr. Evatt prepared the way from July, 1944. Thus in a debate in the House of Representatives on the Address-in-Reply to the Governor-General's Speech,¹² Dr. Evatt readily moved from a few words on recent comprehensive British and Dominion Prime Ministers' talks to "Australian participation in measures affecting the peace settlements and post-hostilities planning," and he regarded such participation as one of the "general aspects of (Australia's) foreign affairs". Dr. Evatt then proceeded to tell the House of his projected UNRRA Bill and of "a voluntary organization" which had "already been formed . . . to assist the Government in the discharge of its international obligations under the (UNRRA) agreement"; two days later, he introduced his UNRRA Bill, though its second reading and the first part of the consequent debate did not occur till September.¹³

Curtain raiser to the UNRRA Bill's second reading in September was the Budget debate on the same day, in the course of which Mr. Chifley, Treasurer and Minister for Post-War Reconstruction, stated¹⁴ that the Australian contribution to UNRRA for the current financial year would be £A47,000 but that it was not at that moment possible to say exactly what form relief contributions from Australia would take or what their exact value would be—"that (would) depend on military requirements and other commitments existing at the time requests for relief supplies (were) made to the Commonwealth Government." Mr. Chifley's own justification for UNRRA was that "by ensuring that the freed peoples (were) provided with the necessities of life, the United Nations Relief and Rehabilitation Administration (would) facilitate the subsequent carrying out of the policies of international economic

10. *Selected Documents*, op. cit., p. 45.

11. *Current Notes*, op. cit., Vol. 17, No. 2, p. 86.

12. *Commonwealth Parliamentary Debates*, pp. 41, 209, 216, 228-31.

13. *ibid.*, pp. 378, 585.

14. *ibid.*, p. 575.

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collaboration envisaged in Article VII of the Mutual Aid Agreement."

The UNRRA Bill itself was introduced by Dr. Evatt with a mainly explanatory speech later reprinted in the Department of External Affairs' *Current Notes*; a copy was sent to the new Sydney UNRRA Office "for purposes of reference."¹⁵ The importance of UNRRA'S task, said Dr. Evatt, was "very great", and "the one lesson of relief administration after the 1918 armistices was that a single body should co-ordinate relief efforts". However, "the total amount and character of the contribution of supplies and resources (was) left for determination by each member government", only payments towards administrative expenses being definite and precise. As for areas to be supplied with Australian goods bought with that part of Australia's general contribution which was made in local currency (90%), the Far East was "a region for which Australia (was) one of the obvious suppliers", and preliminary inquiries had already revealed diverse needs. However, it would be "impossible to specify exactly the date or dates" on which Australia could make available the whole or a part of her contribution in that connection; "each request for relief supplies (would) have to be considered on its merits and measured against existing commitments such as the minimum Australian civilian consumption requirements, military requirements, reciprocal lend-lease supplies, and export demands, particularly to the United Kingdom." In the result, "the Government . . . (did) not propose the immediate expenditure of the amount authorized". However, Australia's other contributions to relief—wheat and wool, for example—would soon be credited to her account under UNRRA. "In order that this policy (might) be applied, the Government ha(d) designated a committee representative of those branches of the administration chiefly concerned with financial, man-power, production, and supply matters, to which requests for contributions of Australian supplies and services for relief purposes within the limit set by Parliament (would) be referred for examination."

The debate which followed¹⁶ this introductory speech evoked so many words by so many members that it was adjourned several times. There was no real opposition to the idea of international relief and rehabilitation, though it was variously supported on moral and material grounds, the latter including security, employment and trade reasons.

15. *ibid.*, pp. 585ff. *Current Notes*, *op. cit.*, Vol. 15, No. 9. UNRRA SWPA, Sydney Office, File 2/11, (memo) Dalziel to Williams, November 17, 1944.

16. Commonwealth Parliamentary Debates, pp. 1742ff., 1801ff., 1840ff.

In reply,¹⁷ Dr. Evatt dealt with the main points raised in the discussion as well as outlining UNRRA developments since his introductory speech. Inter alia, Dr. Evatt made the following significant pronouncements: "The Australian Government has completed a survey of Australia's supply position, and estimates are revised periodically in the light of changing conditions. It is obvious that the Department of External Affairs is concerned primarily with the international aspect of this organization. A department of the government will have to administer the whole of the supply side of UNRRA in relation to Australia, and shortly a Minister to be charged with that responsibility will be named. No orders have yet been placed with Australia for the reason that in view of our existing commitments we are not yet in a position to divert manpower to the supply of relief goods. However, that problem is being examined by the Minister for War Organization of Industry (Mr. Dedman) who will probably have charge of our UNRRA activities. . . . The attitude of governments to this organization will be a demonstration of their good faith and intention to support the other U.N. organizations which are at present proposed . . . (But) such international proposals should be carefully scrutinized before we accept them and this agreement has been carefully scrutinized . . . The task of providing relief will be a very difficult one and it is wise for us to emphasize the practical side . . . It is perfectly true that *what Australia can do will depend on what is physically possible rather than on what is financially possible* . . ."¹⁸ Our contribution will depend on what we can give out of our production."

For the rest, Dr. Evatt adopted the suggestion that the trade union movement should be represented on the Australian Council for UNRRA set up to co-ordinate voluntary relief societies. The Australian Government would "do its utmost" with the help of the Australian Council to see that UNRRA chose "able, energetic, and altruistic" Australians, with "utmost consideration" to servicemen though not to the exclusion of all others, and he himself was attracted by the idea that UNRRA would be a valuable training ground for Australian diplomatic cadets. Australian UNRRA workers who suffered disabilities would not be forgotten. All Australian goods for UNRRA would be closely inspected and clearly labelled.

Immediately after the UNRRA Bill was read in the House for the third time, Dr. Evatt introduced the United Nations Food and Agriculture Organization Bill; some confusion resulted for a time,

17. *ibid.*, pp. 1840ff.

18. Writer's italics.

even *Current Notes* on one early occasion failing to distinguish the two Bills.¹⁹ This confusion may also have emanated, however, from a September speech by Dr. Evatt on International Affairs in which he closely related welfare to security from aggression, giving a list (beginning with UNRRA) of plans and agencies designed to meet world social and economic problems.²⁰ Already, too, questions of law had been raised in the House relative to "the Government's power to acquire wheat in the post-war years to fill Australia's quota for international relief in terms of the International Wheat Agreement", questions, it may be added, which even Dr. Evatt had called "complicated" and on which he had reserved judgment.²¹ The simple (sic) early stages were past.

The Senate debate²² on the UNRRA Bill was marked for the most part by an average amount of redundancy; much of it, like the discussions generally, was substantially a repetition of that which occurred in the House of Representatives; the measure was never in the slightest danger.²³ Senator Ashley in introducing the Bill to the Senate revealed, significantly, that the Government was "in a position to make recommendations" relative to UNRRA staff and personal applicants, and "to arrange for the release either from the army or from essential work of the type of personnel which it consider(ed) suitable."

In due course the Federal Cabinet of Australia decided, on February 16, 1946, that it "approved in principle" of a second contribution to UNRRA by Australia, "subject to agreement . . . as to the form of such contribution".²⁴ The necessity of an immediate appropriation of a second contribution from Australia, however, "was not present at this stage as a large portion of its first contribution had not yet been used". This last situation was due to the drought of 1944-5, to the "strong obligation to send as large supplies as possible to Britain to relieve the critical food condition in that country", and to the "very heavy commitments in regard to meeting the requirements of Australian and Allied Forces". "The cessation of hostilities in the Pacific, however, . . . made it more possible and necessary for UNRRA to use Australia's contribution to its funds". UNRRA had, in fact, "worked out large-scale plans

19. *Current Notes*, op. cit., Vol. 15, No. 10, table of contents. UNRRA SWPA, Sydney Office, File 2/11, Howard to Body, Nov. 30, 1944, requesting copies of "each of the Bills on UNRRA"; *ibid.*, Body to Howard, Dec. 1, 1944.

20. Commonwealth Parliamentary Debates, p. 605.

21. *ibid.*, pp. 1008, 1722.

22. *ibid.*, pp. 1936-7, 2011-28.

23. *ibid.*, pp. 2164, 2253; assent reported.

24. *Current Notes*, op. cit., February, 1946, pp. 86-87, and for the following. Cf. *ibid.*, April, p. 214—"subject to satisfactory supply quotas being drawn up."

for the relief of China and South-East Asia", whilst Australia was "particularly anxious to co-operate in relieving the distress prevailing throughout the Pacific region". Such developments would quickly "exhaust the funds . . . available and so require a second contribution".

The Government soon proposed that this further grant be made up of war surpluses to the value of more than £A7 million, and wool worth £A4 million. These were at least available—or so it then seemed—and they were bound to be of some use. UNRRA, however, had a more precise notion of what was required, and eventually, after reciprocal compromises, some £A7½ million of wool was the dominant commitment. (The full story of these negotiations would require a separate article).

From the foregoing, it is clear that the Australian Government, while more than willing to participate politically, socially and economically in international relief and rehabilitation as outlined in the UNRRA Agreement of November, 1943, clearly and definitely indicated that such matters would not have anything like first call on services and goods in Australia. Again, whilst signing the UNRRA Agreement and introducing local legislation to appropriate funds to support the organization were matters within the sphere and control of one or two Ministers, the implementation of relevant obligations and resolutions would involve, in varying degrees, many other Government Departments whose individual powers had increased under war-time conditions; this was bound to mean delays, and it would also increase the chances of refusal of specific requests for material and personnel. These things, however, had been raised even in Sir Owen Dixon's short broadcast to Australia after the First Session of the UNRRA Council, and they had been significantly elaborated in Dr. Evatt's speeches on the Australian UNRRA Bill. (In New Zealand it had also been evident early that domestic rehabilitation, for one, would not be subordinated to the demands of overseas relief).

In terms of the relations between the Australian Government and UNRRA, particularly as an agency in the South-West Pacific, these facts must always be borne in mind, though not in themselves necessarily circumstances of total extenuation of faults and failings, difficulties and delays.

The Type of Support Secured.

The outstanding general feature of UNRRA's procurement in Australia was the great diversity of goods purchased. Approxi-

mately 1,150 different commodities were secured in Australia, ranging from small items such as baby scales, incubators, thermometers and metal screws, to major items such as locomotives and cargo vessels and bulk purchases of food, pig iron, steel rails, and clothing. Australia provided over 50,000 ploughs, ranging from single furrow ploughs to large 4- and 5-furrow ploughs to be used with tractors in the first mechanised cultivation of China's fields. Hundreds of hay balers, millions of harrow tynes, tens of thousands of shovels and mattocks and pronged hoes, were manufactured in Australia for UNRRA. Over 90 small craft comprising trawlers, tow-boats, and dories were shipped to China. Medical and veterinary supplies included bulk purchases of "sulpha" drugs, large quantities of vaccines and sera produced under a special project by the Commonwealth Serum Laboratories, dental and surgical instruments, and a wide variety of over 350 other drugs and other medical preparations. Practically all this procurement was effected through Government Departments for an administrative charge of 3½% on the cost of the goods, ½% lower than the usual impost for such services.

The total estimated commitment for supplies from the Australian contribution was £A22,769,436 as at 30 June, 1947, at which time the supply operation was virtually over; £A10,092,687 of this figure was represented by payment for wool which was actually located in the United Kingdom and eventually shipped from there to Europe and China. The "breakdown" of expenditure according to the main five commodity divisions of UNRRA was as follows:

	£A		
Food	3,189,061	11	3
Clothing (wool, etc.)	12,101,038	17	8
Medical	514,405	4	7
Agricultural Rehabilitation	3,440,142	2	7
Industrial Rehabilitation	3,524,788	11	4
	£A22,769,436	7	5

In addition, it may be added at this point, UNRRA received from Australia 4,821,280 lb. of gift clothing, valued at £A1,446,384, not to mention £A107,806 in other commodities and cash.

For many reasons, especially geographic, Australia's main operation was concentrated in China. Major items purchased from the Commonwealth contribution for shipment to China included 104

small craft of all types, valued at nearly £1,000,000, to help rebuild and rehabilitate China's fisheries and water transport; 50 Macarthur Locomotives, valued at £1,500,000, to help restore transportation; 25,000 tons of wheat and 18,531 tons of wheat flour, valued at £1,000,000; canned meats from the Commonwealth Meat Canning Committee, valued at £750,000; Army surplus foodstuffs from Commonwealth Disposals Commission, ex Rabaul, valued at £400,000; 75 Iceplants, valued at £500,000, for use in China's fishing industry. Altogether China absorbed over £A7 million of the Australian contribution. Europe took well over £A15 million, but mostly (2/3) by a raw wool transfer.²⁵

The major problem which arose in utilizing the Australian contribution for supplies was, of course, the availability of goods in Australia. The problem arose from the fact that Australia's main exports were normally food and raw wool. Australian supplies of food, however, were already committed by agreement with the United Kingdom Government. With the exception of surplus foodstuffs, certain special arrangements for the purchase of wheat and flour, and dehydrated vegetables not required by UNRRA, the Administration was unable to procure any considerable bulk of foodstuffs from Australia. UNRRA'S requirements of raw wool also were considerable. Procurement, though simpler than in the case of foodstuffs, was complicated, however, by the fact that all Australian wool stocks were owned by the United Kingdom Government. At first it appeared as if the U.K. would require wool purchased by UNRRA to be paid for from its own UNRRA contribution. Only after negotiations at the highest level was this policy changed, with the result that over £A10 million were charged against the full Australian contribution for wool. But for this, it would have been impossible to utilize the Australian contribution for supplies.

A further limiting factor in Australian procurement was the country's limited industrial capacity. The point here was that local requirements had priority over UNRRA requirements. In addition, even an anticipated supply of manufactured goods could be considerably curtailed because of reduction in output due to industrial disturbances in the immediate post-war years.

The difficulty of spending the Australian contribution on supplies was clearly recognized when negotiations were made in 1946 for a second contribution from Australia. The Australian Govern-

25. Apart from this general wool transfer credited to Australia under the heading "Europe," Italy absorbed most of the contribution (nearly £A 1½ million), followed by Czechoslovakia, Ukraine, Greece, Byelorussia, Yugoslavia, Poland (nearly £A 400,000), etc.

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ment took the view that the total value of the second Australian contribution should not be expressed in monetary terms until an agreement was reached with UNRRA regarding the category of supplies to be made available. In fact at this time it was considered that more than £A7 million would have to be taken from Service surpluses, and that UNRRA should accept £A4 million worth of wool. The final proportions were closer to the reverse of these figures (wool, £A7½ million), this after reciprocal compromises.

So much for procurement. As a result of personnel recruitment some 250 specially qualified men and women were sent from Australia to serve UNRRA overseas, almost all in Europe and China. Many were appointed to positions of considerable responsibility and set a high standard in the field for efficiency and effective action; they returned, of course, with a unique store of knowledge and experience, often in many countries. China predominated as the principal country to receive Australian UNRRA workers; early in 1947 Australians formed the third largest national group of UNRRA workers there and represented eleven per cent. of the total group, which was headed by Americans and British. Australians with World UNRRA included medical teachers, medical officers, welfare workers, veterinarians, agricultural, forestry and fisheries experts, displaced persons camp directors, mass feeding and housing specialists, electricity, iron and steel, telephone, telegraph and automobile engineers, railways and highways experts, accountants, administrative officers, and secretaries. The worst period for recruitment of such people was the first half of 1945, but with the end of the war the position eased, especially as the Government continued to facilitate the selection, and if possible the release, of service personnel.

In addition to recruitment for UNRRA positions overseas, the Australian Offices of the Administration had also to be staffed. Most of the personnel appointed to the head SWPA Office in Sydney were Australians, and the small branch establishment in Melbourne also needed officers. The securing of the requisite staff was attended by much the same difficulties as personnel recruitment for overseas service, and similarly not till 1946 was SWPA at all satisfied with the position; by this time, too, SWPA administrative expenditure had been cut by more than one third and its staff in consequence reduced to some sixty approved persons. As a result of all this recruitment, Australians played an active part in the far flung operations of UNRRA, whilst the Government saw to it that there were also representatives in the higher councils of the Administration.

ECAFE at Lapstone and After.

L. F. Crisp.

The Fourth Session* of the Economic Commission for Asia and the Far East, held at Lapstone, New South Wales, between November 29th and December 11th, did little to advance the reconstruction or development of Asia. It did do something further to define the limited role open to ECAFE, to clarify the issues with which it may reasonably hope to deal and the methods it may in practice employ.

The Fourth Session did produce more of the facts and statistics, together with the findings and recommendations of the Industrial Working Party, for which delegates had been impatiently waiting. But these were received too late for reference to Governments or for more than cursory study by delegates before the Session opened. This appears to be inevitable as long as the Commission continues to hold more than one full Session a year.

The crucial outcome of the Fourth Session was the definite intimation both from America and from the International Bank that there is to be no "Marshall Plan" for Asia—or, rather, no Marshall Fund. Both America and the Bank made it plain that Asian countries in search of capital must look primarily to private investors. And whether they turn to private sources or to the U.S. Government and the Bank, they must put up individual, concrete, business-like investment propositions, and, as a background to these, they must be able to show that they have their political and economic houses in order. This viewpoint was put directly and frankly at Lapstone and so ECAFE must resign itself to work of other sorts than the sharing round of an annual Marshall loaf. The Industrial Working Party thus saw vanish any hope of a broad provision to meet the seven billion dollar overseas capital goods supply which they regard as indispensable to their 13 billion dollar outline programme for reconstruction and industrial development in the ECAFE area over the next five years. Though Britain and America are both exporting more capital goods to Asia than pre-

* These notes do not deal with the origins and earlier work of ECAFE—in that connection reference should be made to E. E. Ward's article in the September, 1948, issue of this Journal.

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war, they are sending only a fraction of what an effective Asian "Marshall Plan" requires. So the Industrial Working Party Report, like the reports on trade problems, was reduced, in effect, to little more than pious exhortations to national action within the area and tentative proposals for intergovernmental machinery for such collaboration as is possible.

By way of comment on the attitude of the International Bank, it may be suggested that, as reflected in Mr. McCloy's letter to ECAFE, it is probably too negative. The Bank has, of course, to raise much of its funds on the American money market and it must therefore study the foibles and psychology of that institution. It cannot blind itself to existing political and economic instabilities within would-be borrower countries in Asia. But sooner rather than later there will be a startling unbalance between what the Bank is advancing to the Western Hemisphere and Europe on the one hand and to Asia on the other. Nothing could do more to discredit United Nations specialised agencies than such unbalance — and Soviet Russia, as the sworn enemy of most United Nations specialised agencies, will stand ready to evoke condemnation and disillusionment. It will surely be in the Bank's interest and in the interest of the whole United Nations idea for the Bank (with the aid of America and other technologically advanced countries) to send out teams of experts to stimulate and help Asian countries to survey and prepare for presentation projects which will command investments. Fortunately United States Government and International Bank pronouncements made since the Lapstone Session suggest a realisation of the need for more of this sort of work. Meanwhile ECAFE itself has only \$100,000 from the United Nations budget for Asian projects and this is earmarked for the maintenance of a small expert Flood Control Bureau.

In most directions ECAFE clearly has only the role of giving advice, encouragement and warning to national Governments. It can, of course, urge inter-governmental collaboration where that is appropriate and offer its own good offices as secretariat and clearing house for such work. It can prod other international agencies like the I.L.O. and the F.A.O., which (Russia dissenting) it readily recognizes as more appropriate channels than itself for international action in Asia on technical training and agricultural development respectively.

Any comparison of ECAFE with the organization of the 16 Marshall nations in Paris will in future be entirely misleading, for ECAFE has no funds to divide amongst its constituents. There is, moreover, at best a poor parallel for the future with the United

Nations Economic Commission for Europe. The paper roles of the two Commissions are not unlike. But the European Commission has, political difficulties apart, the more straight-forward task of planning and urging collaboration between a group of broadly complementary—if temporarily run-down—economies which in combination could soon be very largely self-sufficient. In Asia, on the other hand, economies are not merely temporarily run-down; they were initially under-developed, and are (as long, at any rate, as Japan is in any degree fenced off or industrially diminished) all lacking in complementarity. Only great national efforts and a high degree of collaboration in distribution will make them self-sufficient even in foodstuffs. Beyond that they are desperately capital-hungry without any early prospect, as there is in Europe, of being able to help solve one another's capital-goods demand. Some blame for this state of affairs in Asia may, as the Russian delegation delights to suggest, lie with the Imperial powers, but recrimination over the past has the most limited utility only as a basis for grappling with present difficulties.

There is no space here to consider in detail the often admirable discussion of industrial, trade, financial, agricultural and technical problems undertaken in plenary and committee sessions at Lapstone. In their course, some issues were undoubtedly clarified; some national problems were helpfully set in a proper regional or world perspective; some useful information exchanged regarding supply and demand in the markets for scarce equipment and materials. This work alone would probably justify some such regular gathering as ECAFE.

The practical issue which ECAFE is now facing—which its energetic Secretariat wishes it to resolve urgently—is whether the present organization of the Commission is the best possible one for yielding practical results. It would appear to be well suited to research and liaison work — and how much that is needed can be gauged from the inescapable shortcomings of ECAFE's major publication to date—the Economic Survey of Asia and the Far East for 1947 (the first of a series of annual surveys). Every nation of Asia and that continent as a whole clearly stand to gain from the improvement in national economic information and statistics which ECAFE is stimulating for purposes of its own publications and as an aid to Asian development.

The Executive Secretary, Dr. Lokonathan, has strongly urged that ECAFE should push on from the "research-and-liaison" type of organization to operation through a series of inter-governmental representative committees—he has formally proposed three such

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committees, on industry, trade and technical training—such as have been proved appropriate in Europe. At Lapstone delegates were not convinced on this point and reserved judgment until the Committee of the Whole considers the question further at Bangkok in March. The basic question to be decided is the extent to which inter-governmental action is possible in Asia at present—in a word, just what work would such representative committees find to do? On the evidence available at Lapstone there seemed to be need for much more research and much more activity by the nations individually before any considerable basis for work by representative committees would emerge. And even where it does appear to be emerging—as in the matter of distribution of Asian foodstuffs—the regional machinery of such specialised agencies as F.A.O. and I.T.O. would appear to be more appropriate.

Delegates to ECAFE have long since become resigned to the interference of politics with the smooth discharge of their essentially economic functions. The ferment of Asian nationalism, the reassertion of Western imperialism, no less than the strategy of Soviet ideological and power politics made such interference inevitable. Moreover, political unrest has been the major deterrent to the overseas investment of desperately needed capital in Asia, lack of which has been the major frustration confronting ECAFE.

The Fourth Session did not escape the political blight. If Nepal was admitted to associate membership "without incident", and consideration of the application of the (anti-French) Viet Nam was deferred until the Fifth Session, there was at last a decisive grappling with the thorny Indonesian issue which had been deferred at the previous two Sessions.

After two debates, notable for two effective speeches from the Australian delegate (Dr. H. C. Coombs), for a telling wisecrack from the Soviet delegate (Mr. K. V. Novikov), for the understandable caginess of the Imperial powers, and for the much-heralded "walk-out" of the Dutch delegation, both the "Republic of Indonesia" and "the Rest of Indonesia" were admitted to associate membership of the Commission. This is not, however, the place for a discussion of the very considerable ramifications of the Indonesian problem, amongst which the issue of ECAFE membership would earn little more than a footnote.

Those who have been to the United Nations conferences felt a modicum of gratitude for the comparative absence of Soviet obstruction at Lapstone. There was no evidence of constructive Soviet sympathy with the aims or methods of ECAFE. At the same time, apart from reading into the record a few of their "regula-

tion" indictments of other nations' imperialism in Asia, the Soviet delegation was apparently content with the tactics of sitting back and letting other peoples' politics hold up the economic work for which ECAFE exists.

Nor are future sessions of ECAFE likely to be any freer of politics. On the contrary, Communist leadership of China will mean a new balance within the Commission — and plenty of politics. Hitherto, postwar Chinese internal conditions have been chaotic and Chinese policy abroad has been plainly in American leading-strings; or, at least, understandably deferential to American views. Nationalist China has consequently been in no position to bid for Asian leadership. Nehru's India has had no rival for this role and the activity of India's able delegation to ECAFE has reflected the fact. But a Communist Chinese Government, with the more or less active backing of Russia, would have every reason to challenge India's position all along the line. ECAFE will almost inevitably be one of the battlegrounds.

There were accommodation and other organizational difficulties and shortcomings about this large conference at Lapstone, from which Australia must learn. But these were not diminished, and overseas delegates were infinitely embarrassed in this and other connections, by the performance of the Sydney press.

The parochial quality of the Sydney press treatment of the Conference is illustrated by the fact that the best front-page headline Sydney's leading daily could find when reporting the Session's opening was one describing the hats of the Nepalese delegation. In the same spirit the Soviet delegate's pronunciation of "Maori" was later singled out for special note, and for ridicule. The immature quality of the Sydney press treatment was continually evident in the breathless hunt for trivial "incidents", not only from the Conference but from the highways and the kitchen quarters. There were many cases of irresponsibility of press treatment. First, international relations were made the pawns of very petty domestic politics—visiting delegates were repeatedly and wilfully embarrassed in an attempt to score minor and fast-forgotten points against the present Commonwealth Government. Second, those present at the Conference on Thursday, December 9th, were surprised when Mr. Novikov in three short sentences forewent his right to read in Russian a long turgid diatribe against the "Economic Survey of Asia for 1947." He simply handed it to the interpreter (who was also a little surprised) for immediate translation, in order to save the Commission's time. But if those who saw this happen were pleasantly surprised, they were much more surprised (and less pleas-

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antly so) when one press columnist reported the next morning (December 10th), "Novikov made a long statement As usual Novikov spoke with oratorical fervour in Russian. But his oratorical tricks are lost because nobody knows what he said until the interpreters begin translating . . . With the English translation, Novikov's speech took about an hour and a half."

It is a pity to have to draw attention to the shortcomings of our press, but any account of the Lapstone Session of ECAFE would be incomplete without such a reference, for they were as painfully embarrassing to our guests as to ourselves.

Book Reviews.

THE AUSTRALIAN ECONOMY IN WAR AND RECONSTRUCTION. By E. Ronald Walker, 1947. (O.U.P.).

Dr. Walker has a unique advantage in writing on the Australian economy at war and in reconstruction. He has seen it from many varied angles. Before the war he was studying the economic impact of defence policy, which resulted in his small "War-time Economics" in 1939; he obtained a State's-eye view of the effect of war on federalism as Economic Adviser to the Tasmanian Government; as Deputy Director-General of the Department of War Organization of Industry, he was translated into federal administration with the task of mobilizing civilian resources to the needs of total war. Later as an Australian representative in Washington he was concerned with Australian reconstruction in relation to world economic planning. Intensely aware of the background, he could look at the Australian approach to post-war problems with the detachment of an international observer.

The result is an acute account and analysis of the processes of change engendered by war and the evolution of an Australian sense of responsibility in international affairs. Nevertheless, as the author would admit, the book is only an interim survey written for the most part too close to the events recorded. This weakness is most apparent when he is dealing with reconstruction problems, since he was not in the position to see the many twists and complications which have subsequently occurred. However, the study is likely to prove of great value to the student and also to the man of affairs, who is apt too often to forget or ignore the gradual or the swift unfolding of most of our current problems.

Our immediate interest in this book is devoted to its attention to reconstruction problems as they appeared at the end of the war. During the war the post-war world seemed to offer a golden age of social reform and progress under the initiative of a government which had attained a high degree of concentration of authority. Optimism then prevailed for the future of the public sector of the economy, but contrasted markedly with caution in the private sector. As Dr. Walker makes evident, the instability of his national and international environment complicated the problems of the businessman, whose decisions had to be taken immediately and in the dark.

With almost universal emphasis on full employment at home, one of our primary problems was to promote a stable international economic order without sacrificing the sovereign right to insulate ourselves if necessary against external shocks. Out of this dilemma sprang the Australian initiative to obtain an international employment agreement, which Dr. Walker regards as our main effort to contribute something useful to the series of post-war conferences. The policy, however, proceeded by a series of token concessions obtained in various agreements, and while the author hesitates to express a definite opinion on their value, he recognizes their general vagueness and shows some doubt as to how far they are compatible with full international collaboration. Perhaps the most obvious example of this whittling down process, indulged in by a number of countries, is seen in the riddling of the International Trade Charter with escape clauses, a development later than Dr. Walker's book.

The two big problems for the future which Dr. Walker posed have still not been resolved. What economic system will emerge, and how far will Australia become self-sufficient? As in so many other countries, Australia came out of the

war with a mixed economy containing far more government in the mixture than before. But whether the present state is the middle road or merely a half-way house is a question left open, with a bias towards the former. While recognizing that control feeds on control, Dr. Walker on the whole inclines to the view that complete planning will be frustrated by forces of inertia brought about by administrative difficulties and public opposition to regimentation.

Dr. Walker also expresses the opinion that in future Australia will rely less on oversea trade than in the past. To some extent this view is being borne out by the slow progress in the volume of primary production, more of which will be consumed at home as population grows and if, as seems likely, the process of urbanization continues. Moreover, although there is a feeling that many of our secondary industries are capable of standing more on their own feet, the sentiment of high protectionism is still strong and influential. On the other hand, at present we are very conscious of serious limitations in secondary industrial development, and frequent attention has been recently directed to the top-heavy structure of Australian industry. The bottlenecks in basic industries may falsify many of the predictions for the future.

In seeking to determine the welfare content of developments on these lines, Dr. Walker recognizes that we may forgo a certain increment of general productivity, against which he would set additional production through full employment and greater welfare to the community as a whole such as, for example, additional leisure. On the other hand, he also recognized the danger to welfare in a mixed economy of sectional groups pursuing selfish ends, a danger which has since emerged very clearly. Finally, Dr. Walker comes to the conclusion, more than ever true today than when he was writing, that we have no very clear idea of how to use the economic system we have fashioned.

"If the Australian standard is to be something better than a minor version of the American way of life, forced to a lower level of productivity and consumption by a refusal to make the most of international specialization and exchange, Australia requires a clearer conception of national welfare and a more intelligent mastery of the art of social engineering."

—R. F. Holder.

THE NEW ZEALAND ECONOMY IN WAR AND RECONSTRUCTION.

By J. W. Williams, 1948. (Institute of Pacific Relations. New York).

This is a data paper issued by the International Secretariat of the Institute of Pacific Relations in co-operation with the New Zealand Institute. Being a data paper it is relatively short and is mainly descriptive. It opens with a brief description of New Zealand as a dependent economy. This is not very good. It then outlines the major legislation adopted by the Labour Government since 1936. Most of this legislation arose from Labour's belief in the virtues of controls. Some of it—as, for example, exchange and import control—was forced upon the Government by its own expansionist policy. The controls introduced after 1936 probably made for an easier transition from a peace-time to a war-time economy.

The changes in the New Zealand economy brought about by war broadly followed the common experience overseas. There were the inevitable changes in industrial structure, the growth of economic tensions and of inflationary pressures, and the intensification of controls. Since the New Zealand economy is relatively simple the problems of the war economy were easier to handle than in most other countries. One or two features in the Dominion's experience are worth noting. Rationing of food was quite severe, not because food was scarce

but because it was felt desirable to free additional supplies for the British market. The butter ration for example, represented rather less than one half the pre-war average consumption. Since New Zealand did not press for the prices she might have obtained in a free market for the goods she exported to Britain, her barter terms of trade worsened by 25 per cent from 1938 to 1944. In 1945 the British Government recognised this by making special grants to New Zealand amounting to £16m. Price control was exceptionally detailed. Two examples will illustrate this. Order No. 484 relating to apples fixed prices for five varieties, three grades and five counts, a total of 75 different prices, and these for a few months only, after which they were superseded by a fresh order. Order No. 501 (an example of detailed specification for a particular area) sets out the maximum prices for milk and cream within an area of three miles radius of the Wai-pukarau post-office (a town with a population of 2,110).

After outlining the problems of the transition from war to peace, Mr. Williams has something to say about reconstruction and the future. Because of the pre-war policy of the Labour Government New Zealand had had its "Beveridge Plan" in operation for a number of years so that its social security measures need only to fill in a few gaps or to make benefits more generous. Since New Zealand is a dependent economy Mr. Williams has a chapter on "International Economic Relations" in which he deals with New Zealand's relationship with F.A.O., the Fund and the Bank. He also deals with future markets for exports. He stresses the importance of rising standards of living in the East and improved nutrition in keeping up the level of demand for primary products. He has little to say, however, about the possibilities arising from Britain's present economic position. In a concluding chapter there are some remarks on population. He expresses serious doubts about the importance of any population policy for purposes of defence.

—J. P. Belshaw.

COLONIAL POLICY AND PRACTICE. A comparative Study of Burma and Netherlands India. By J. S. Furnivall, 1948. (Cambridge University Press, pp. 568).

In his latest volume Mr. Furnivall adds to his works on South-east Asia a challenging analysis of colonial policies and an examination of the basic assumption behind these policies. The work was commenced in 1942, when Mr. Furnivall undertook at the request of the Government of Burma an enquiry into the problem of reconstruction in Burma, "with particular reference to the features of colonial rule in Netherlands India which might suitably be adopted in Burma". Expanding his enquiry beyond the areas immediately involved, he drew for comparative purposes upon a limited range of African sources and surveyed the general problems of colonial administration. The analysis is confined to the period before 1941 and was completed in 1945. The reader cannot but regret the consequent omission of reference to post-war Asia, for events have outstripped his conclusions in this area. But, if material destruction and the rapid growth of independence movements have altered the region as Mr. Furnivall knew it, it is well to remember that his vigorous discussion is relevant to all dependent areas and that Africa appears to be entering upon the phase of colonialism from which South-east Asia is emerging.

Mr. Furnivall begins with a history of British rule in Burma, followed by a summary of his earlier work on Netherlands India. Between the two areas he finds strong contrasts: on the one hand, direct rule in Burma, economic freedom and

the rule of law; on the other hand, indirect rule in Netherlands India, with the Dutch trying to preserve native customary law and curb the operation of Western economic forces. Practices differed widely, and on the whole Mr. Furnivall prefers Dutch to British rule of the type exhibited in Burma. Fundamentally, however, the differences were not so marked. In both areas an astounding economic progress was accompanied by the emergence of a plural society and failure to enhance native welfare; in both impatience with Western rule was expressed in nationalist movements.

This forms the starting-point for a penetrating analysis of the general problem. The writer argues that, despite the benevolent aspirations which the colonial powers expressed in their statements of policy, practice and policy diverged. This was the result not so much of failure to implement the policy formulated as of failure to comprehend the problem. The liberal belief that native welfare automatically accompanied economic progress and the more recent tendency of the State to finance education and social services both failed to promote native welfare. They failed because they provided no control over economic forces, which converted the colonies into "business concerns" and led to disintegration of the native social order. It is to the absence of native demand that Mr. Furnivall attributes the disappointing response to plans for education, medicine and co-operative credit. "The West may scatter pearls, or what it takes for pearls, about the tropics, but the people will not pick them up unless they appreciate their value (p. 440). A multiplication of social services cannot bring about the improved standards in the colonies, which world opinion desires. If standards are to be raised, there must be a "creative impulse" in the people themselves. Such an impulse can come through nationalism, the dynamic principle which alone can make possible social reintegration.

Here Mr. Furnivall finds himself at variance with the professed policies of the major colonial powers, who stress literacy and improved standards of living as prerequisites of political autonomy. Welfare, according to Mr. Furnivall, can only be achieved through self-government. He, therefore, urges the immediate appointment of native governors and the establishment of National Assemblies, to be followed at a later stage by the transfer of full legislative power to representative councils. International supervision of colonies is desirable to ensure the vigorous and wholehearted application of such a policy.

There are several points of detail on which Mr. Furnivall's account of colonial practice in the past might be challenged. Nigeria, for example, seems to contradict his conclusion that indirect rule is adopted only in areas where economic development is carried out by Western enterprise. Again, his statement that British policy, as foreshadowed in the Colonial Development and Welfare Act of 1940, is essentially the same as the Dutch ethical policy of 1900 needs to be qualified. For British policy does contemplate major political changes in a way which Dutch did not. With minor exceptions, however, Mr. Furnivall provides a penetrating and original criticism of the weaknesses of the colonial governments, which is a valuable contribution to colonial literature.

His recommendations for the future are more open to criticism. Nationalism is undoubtedly the major force in the areas which he considers, but in his emphasis upon the unifying and revitalising influence of nationalism, he scarcely takes into account the character which the nationalist movements of South-east Asia have so far exhibited. In particular he underestimates the significance of the divisions within these societies: the divisions between the intellectuals and the masses, between the nationalists and the minority groups, between the conservative, socialist and communist sections of the nationalist movements. Such differences are tem-

porarily submerged while all are engaged in the fight for independence. But the Communist uprising and the Karen revolt in Burma suggest that they are likely to divide the country, when independence is won. In other words, there are no grounds for assuming that stability and social reintegration will necessarily accompany self-government at the present stage of development of nationalism in South-east Asia.

If the concluding section of the work is unconvincing, very much of value remains in Mr. Furnivall's discussion of past administration. American capital is about to augment the British drive for the intensive development of the tropical dependencies. The immediate aim is the relief of world shortages of food and raw materials; but no official pronouncement fails to stress the ultimate benefit to the natives. In this connection we should study with particular care Mr. Furnivall's warning that enhanced native welfare does not result from economic progress.

Marjorie G. Jacobs.

THE STILWELL PAPERS. By Joseph W. Stilwell. Arranged and edited by Theodore H. White, 1948. (William Sloan Associates, New York. pp. 357 + xvi).

"A good commander is a man of high character (this is the most important attribute), with power of decision next most important attribute. He must have moral backbone, and this stems from high character; and he must be physically courageous, or successfully conceal the fact that he is not. He must know the tools of his trade, tactics and logistics. He must be impartial. He must be calm under stress. He must reward promptly and punish justly. He must be accessible, human, humble, patient and forbearing. He should listen to advice, make his own decision, and carry it out with energy." (pp. 291-2). How did "Vinegar Joe" Stilwell, one of the few four star American generals, measure up to his own standards?

The Stilwell Papers is a collection of papers, short clipped entries from his personal command journal, and private letters to his wife, skilfully woven together to give a vivid picture of operations in the China-Burma-India theatre during one of the critical periods of the war. The book is a controversial one because Stilwell was continually "throwing the meat on the floor". A "deck-hand", he had all the trained soldier's contempt for the amateurs who gummed up the works and for the "diplomats" who spawned words instead of tanks, planes and guns. His generosity and kindness rarely emerge in these acid comments by a man who became increasingly impatient with opposition as his health steadily deteriorated.

Stilwell had great gifts as a soldier: many of the qualities essential to the great commander were his, as the long trek with a beaten army through Burma and the Ramgarh training scheme proved. But other qualities he possessed to a lesser degree. Coalition warfare is notoriously the most difficult of all to wage, and Stilwell was in some respects ill equipped to conduct it. To it he brought an ingrained suspicion of the 'Limeys'. "How lucky we all are that your grandparents and one of mine had the good sense to come to the United States. How much we owe George Washington and the few helpers he had that put over the Revolutionary War". (p. 306). Churchill, he believed, had the President in his pocket; the English were determined to avoid an offensive war, and with their superior race complex, were unwilling to co-operate effectively with the Chinese ("Can't have the dirty Chinks") who might collaborate in the post-war period with Indians and Burmans to undermine "the Empah". Wavell he believed to be a

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tired old man, while "Alexander the Great" was too stiff and defensive in his mentality. Lord Louis Mountbatten ("The Glamour Boy") at first appeared a "good egg" but quickly became a sly intriguer against Stilwell and showed himself to be an incompetent commander. "I have been thinking of Mountbatten as a sophomore, but I have demoted him to freshman". (p. 306). When he had to welcome Mountbatten for a visit at Colombo, he wrote to his wife "I went to the zoo first to look at the monkeys to get in the mood". (p. 313).

The vials of his wrath and contempt were reserved however for the Chinese High Command and the politicians: H. H. K'ung ("the Tailor"). Ho Ying-ch'in ("the Blocking Back" and the "Main Dodo") and above all, the Generalissimo Chiang K'ai-shek ("The Wonder Man", "Peanut"). The problem of collaboration with the Chinese was considerable from the outset: Chungking was riddled with corruption and political dickerings. Shortly after his arrival at "the Manure Pile", his most succinct description of Chungking and its regime, he wrote: "This is the most dreary type of maneuvering I've ever done, trying to guide and influence a stubborn, ignorant, prejudiced, conceited despot who never hears the truth except from me and finds it hard to believe. I'm supposed to buck the inertia of this country all by myself and keep everything lovely by promise and persuasion. What a job. I'm exhausting the possibilities one by one and when I get to the bottom of the bucket, I'll tell 'em. Then they'll HAVE to do something." (p. 126). Continual lectures on Chinese psychology, a deliberate ignoring of facts and Chiang's belief in his own intuitive guesses as to the kind of warfare possible in South East Asia, a continual suspicion of double cross: all these drove Stilwell to distraction. He finally effected a defensive alliance with Madame K'ung and Madame Chiang ("Madamissima"), the latter "a clever brainy woman. Sees the Western viewpoint" (p. 80) and who on occasion had "done everything except murder" her husband to secure support for Stilwell. The deterioration in relations leading to Stilwell's dismissal is painfully clear and tragic. The perpetual bickering about tactics and strategy between the impatient field commander anxious to concentrate forces for a decisive attack, and the reluctant dragon, breathing mist through its nostrils and advocating the strategy of the thousand blood pricks, could have only one conclusion, the removal of the American commander.

This is a vivid, salty, acid and controversial book by a man who handles the pen almost as well as the rifle. Stilwell achieved the impossible with his victory in Burma, and astounded Americans and British and Chiang alike by his conversion of raw Chinese recruits into a powerful striking force which could take the offensive against veteran Japanese forces. He was the first foreigner to command the Chinese armies and he led the first sustained offensive in Chinese history against a first class enemy. The wonder is that he accomplished so much with so little ("Peanut and I are on a raft, with one sandwich between us, and the rescue ship is heading away from the scene."—"a struggle for every toe hold and every man's hand against us."—p. 171). The tragedy lay in his impatience and his inability to collaborate with superiors and subordinates alike: Chennault and Wedemeyer aroused his dislike almost as much as Mountbatten and Chiang, and Ch'en Ch'eng and Slim and Merrill were the few men with whom he could collaborate easily. One can understand his much criticised personal participation in the jungle campaign of January-July 1944 in preference to continued residence at the "Manure Pile", his confession that "I like dogs, after 59 years of contact with human beings" (p. 176).

The Stilwell Papers is an important contribution to the history of the campaign in Burma, "the first public report" of an indomitable, stiff-necked and

likeable commander. ("The trouble is largely one of posture. I tried to stand on my feet instead of my knees."—p. 348). Many of his opinions will arouse violent criticism, particularly his vitriolic and biased comments of British strategy in Burma. Much of his comment is penetrating and astute, particularly his assessment of the Chinese soldier, and above all, his verdict on the Chiang Kai-shek regime. "The cure for China's trouble is the elimination of Chiang Kai-shek. The only thing that keeps the country split is his fear of losing control . . . He hates the Reds and will not take any chances on giving them a toehold in the government . . . If this condition persists, China will have civil war immediately after Japan is out. If Russia enters the war before a united front is formed in China, the Reds, being immediately accessible will naturally gravitate to Russia's influence and control. The condition will directly affect the relations between Russia and China, and therefore indirectly, those between Russia and the United States." (pp. 321-2).

—N. D. Harper.

Institute Notes.

IPR Conference, August 1950.

The IPR Council has accepted the invitation of this Institute to hold the eleventh IPR Conference in Australia. As this conference will be the most important unofficial international conference to be held in Australia since the war, it provides both an incentive and a goal.

The main topic for discussion will be "Recent political and economic trends in the Far East and their consequences for the Western world." A considerable amount of preparatory work as well as planning, will be needed to guarantee success. Delegates and observers from ten or more Pacific countries and international agencies may be expected.

BCR Conference, September 1949

At Toronto, from September 7th-17th, the Canadian Institute will be host to a conference called to survey the position of the member nations of the Commonwealth in the post-war world, and to consider the changes that may be required in their policies and the contribution they can make to world order and progress.

Commonwealth Council.

Minutes of the meeting of February 26th are being circulated. Several decisions of importance to Branches were made.

N.S.W. Wales Branch.

Miss Margaret Weigall, Branch Secretary, who resigned to become Mrs. Ian Maxwell, has been succeeded by Miss Monica Gibson.

Among a succession of successful meetings mention of individual speakers may appear invidious, but the addresses given by Mr. Denzil Marris, Sir Ramaswami Aiyar, K.C.S.E., K.C.I.E., Sir Reginald Coupland and Prof. Allan Fisher were greatly appreciated.

The Branch gave a large and impressive reception in honour of over a hundred delegates to the ECAFE Session at Lapstone, and was one of the four hosts to a luncheon for the Rt. Hon. Anthony Eden.

The first of the Monograph series, on the Marshall Plan, is now being circulated.

Victorian Branch.

Meetings have been held on the average of twice a month since the last Branch notes appeared in the June issue. Speakers included the Australian Minister for External Affairs, the Rt. Hon. H. V. Evatt (*The British Commonwealth*), the Minister for Immigration, the Hon. A. A. Calwell (*The Commonwealth Government's Immigration Policy*), Mr. W. Macmahon Ball (*A Journey through South-East Asia*), Mr. C. R. Forsyth (*Malaya*), Mr. Colin Clark (*World Eco-*

conomic Development in the next Twenty Years), Mr. J. B. Brigden (*British Commonwealth Relations*), Mr. A. D. K. Owen (*Economic Activities of the United Nations*) (joint meeting with the Economic Society), the Rt. Hon. E. J. Williams, High Commissioner for the United Kingdom in Australia (*The Position of Britain in the World To-day*), Sir Reginald Coupland (*India, Pakistan and the British Commonwealth*). Reports in summary form of the majority of meetings over the last six months have been prepared for reference purposes and for circulation to members resident in the country.

The work of preparing memoranda for the use of the delegates to the forthcoming British Commonwealth Relations Conference is well in hand. The subjects on the Agenda for the Conference will be discussed in detail at two week-end conferences to be held on March 4-6th and April 23-24th.

Canberra Branch.

Over the past six months the Canberra Branch has undergone exceptional expansion. It has a membership of 60 full and 24 associate members, and has conducted nine meetings since last July. The following speakers have addressed the Branch: Dr. J. Eugene Harley, Mr. W. Macmahon Ball, Sir Iven Mackay, Professor W. G. Friedmann, Mr. William Hartley, Sir C. P. Ramaswami Ayyar, Sir Harold Hartley, and Mr. David Owen.

The Branch also submitted statements of official Australian policy on various current and prospective international problems for use by the Australian delegation to the coming B.C.R. Conference.

Tasmanian Branch.

Unfortunately for the Branch, the Hon. Secretary left Hobart for Melbourne in August, 1948. Problems of organisation arising out of this and other circumstances have now been overcome. As a result of the visit of the General Secretary, a programme of meetings and research has been initiated. The Branch is now going forward with confidence.

South Australian Branch.

Mr. Lance Milne has accepted the position of Hon. Secretary, and now the Branch is fortunate in having the use of centrally situated headquarters and provision for a small library. A library committee has been appointed.

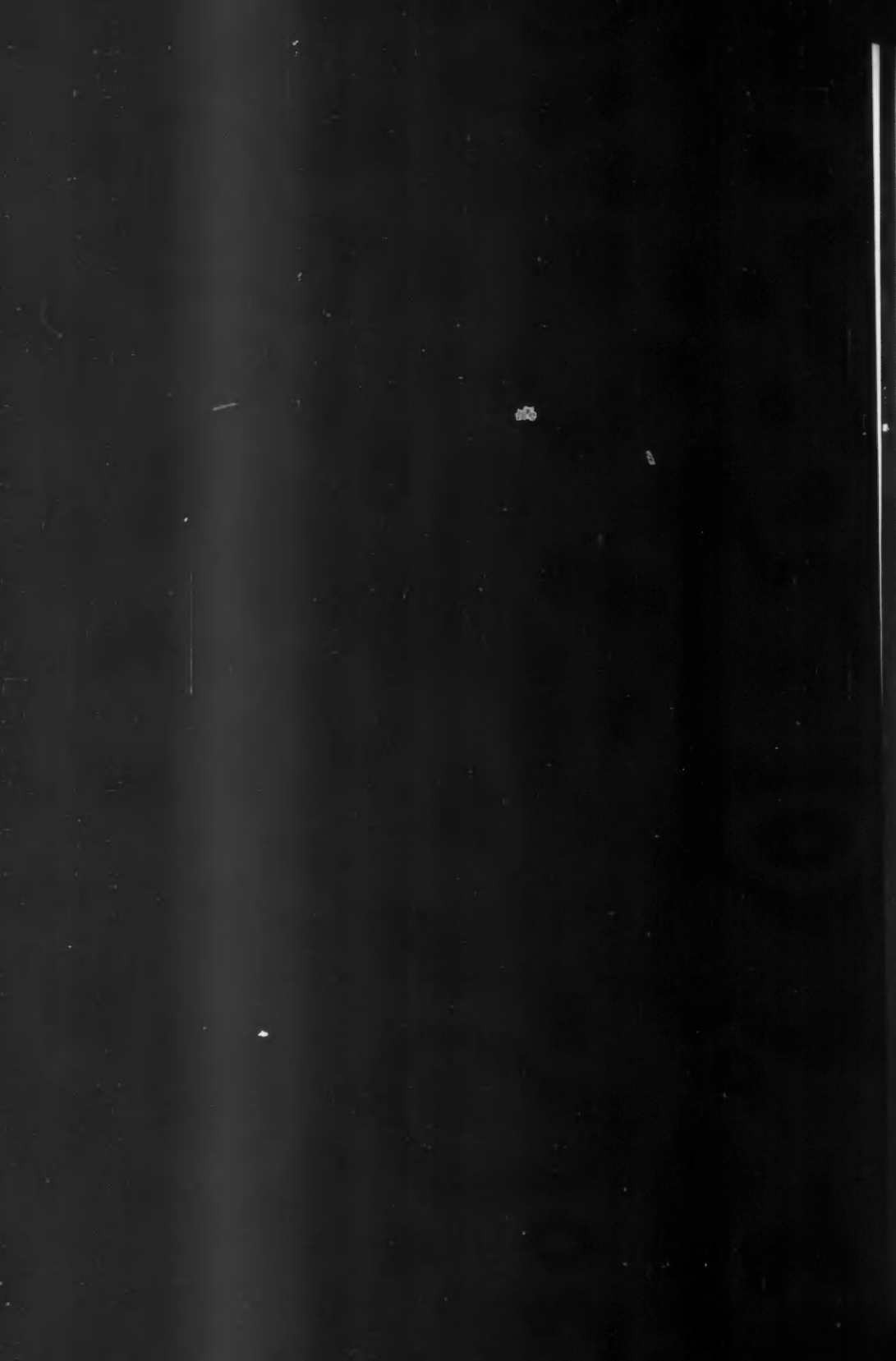
The visit of the General Secretary stimulated interest and will undoubtedly increase activity. Mr. Caiger addressed a meeting of the Branch on "New Forces in East Asia."

In luncheon addresses he brought the work of the Institute to the notice of a wider circle. It is hoped to develop interest in the University and among younger people.

Queensland Branch:

Several meetings have been held. The largest attendance was for a discussion between Mr. Colin Clark and Mr. Ronald Muir on the question "Would an appreciation of the exchange rate benefit Australia?"

The address of the Branch has been changed, and the cooler weather will be followed by renewed activities.



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